

# Homes for a Changing Region

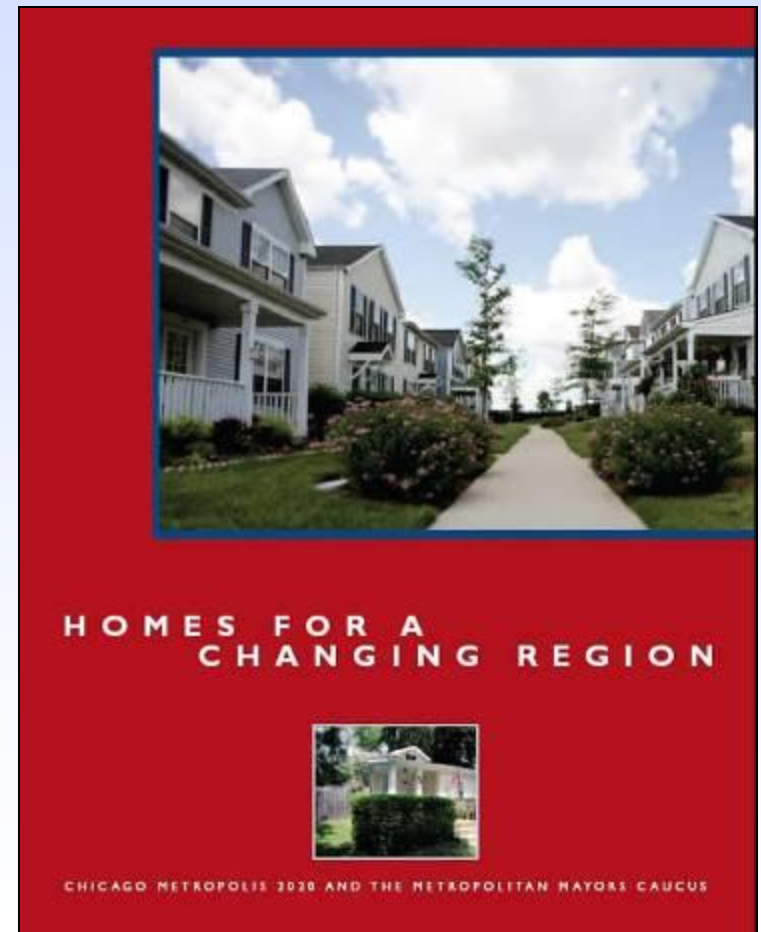
January 2011

# Presentation Overview

- Overview of the *Homes for a Changing Region* project
- National and regional housing trends
- Initial analysis for your community
- Next steps

# The Original *Homes for a Changing Region* Report (2005)

- Presented regional housing forecast for 2030
- Forecast a mismatch between housing supply and demand
- Provided specific recommendations for creating more housing options



# Regional Housing Trends As Of 2005

- Growing shortage of rental units
- Increased overcrowding
- Huge shortage of affordable workforce housing – 730,000 units plus
- Appearance of ARMs, interest-only mortgages



# A Prophetic Warning

“....what will happen when interest rates increase, as they almost certainly will, and the economy softens? **Many of today's home buyers....will be squeezed, some of them severely. Foreclosures could sharply increase. Home prices could stagnate and start dropping.** Whether the overall market will rebalance...is an open question.”

*-Homes for a Changing Region, Phase 1 Report  
(2005)*

# Implementation Begun on Nine Completed *Homes* Policy Plans

## 2006-07

- Aurora
- Libertyville
- Oak Forest

Moving ahead with ambitious Downtown, West Side development plans backed by *Homes* data



First stage of train station development and new senior complex approved



## 2007-08

- Gurnee
- Montgomery
- Northlake

Added mixed-income senior development

Conducting feasibility study of new North Ave. development



## 2008-09

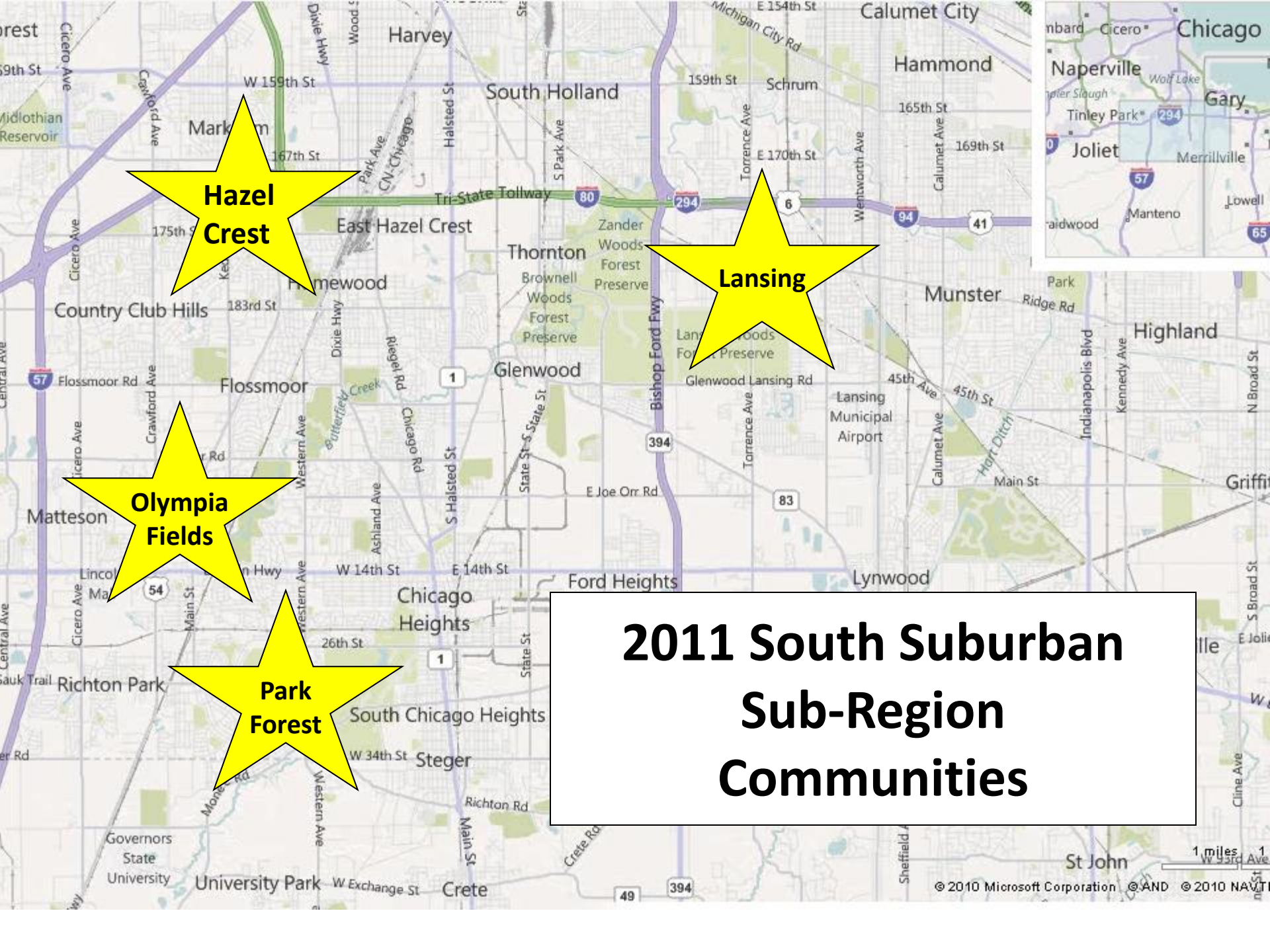
- Blue Island
- Plainfield
- Woodstock

Local developers using *Homes* data to create new mixed-income developments

Modified housing mix in failed new developments







**Hazel  
Crest**

**Lansing**

**Olympia  
Fields**

**Park  
Forest**

# 2011 South Suburban Sub-Region Communities

# Changing Circumstances: The Perfect Time to Plan for the Future

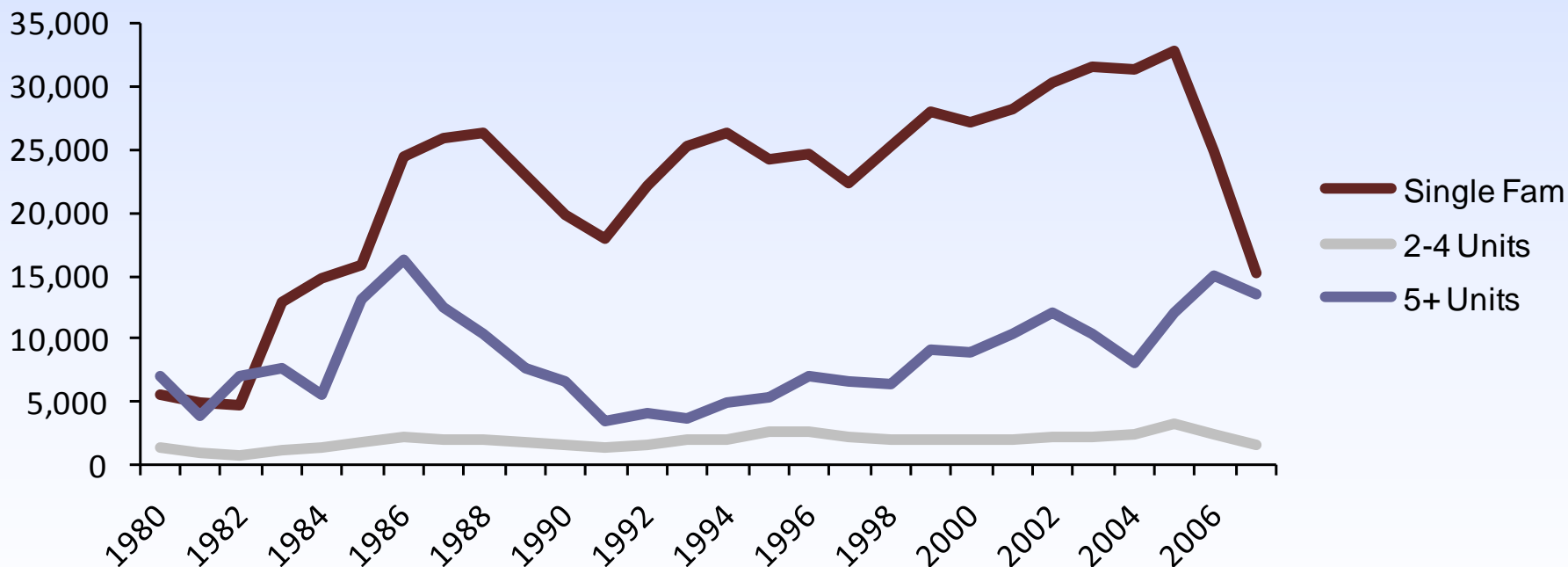
- The worst housing market in 75 years
- Foreclosures skyrocketed





# Changing Circumstances: Single Family Construction Decreases Dramatically

Chicago MSA Annual Permits



# A Changed Housing Market is Emerging

- People will seek to live in housing that they can afford; housing costs will be more directly tied to income.
- The demand for traditional single family housing will fall and demand for townhomes and multi-family will rise.
- Renting will be more appealing to many households – and these households will demand high quality rental options

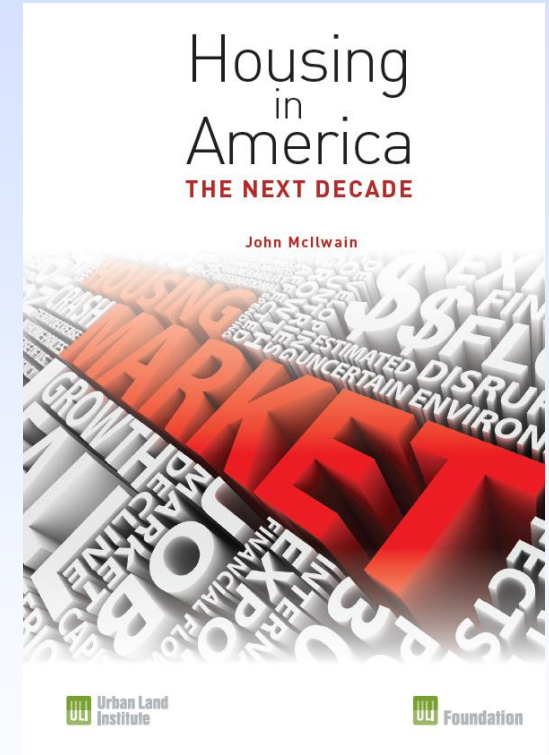


# The Changing Market Today

- The coming decades will be a time of urbanization and central city growth (ULI 2010)
- Multi-family is expected to rebound first (Grubb & Ellis 2011)
- The American home of the future will be smaller and more energy efficient (NAHB 2011)
- 76% of Americans think that renting is a better option than buying in the current market (Harris Interactive 2010)

# Four demographic groups will drive this new housing market

- **Older baby boomers (55-64 yrs/old)**, who will constitute a senior population unprecedented in size;
- **Younger baby boomers (46-54 yrs/old)**, many of whom will be unable to sell their current suburban homes to move to new jobs;
- **Generation Y (late teens-early 30s)**, which may be renting housing far longer than did past generations; and
- **Immigrants and their children**, who may want to move to the suburbs but may find housing there too expensive even after the current drop in prices.



# **Housing choice is critical: each of the future demographic groups will be seeking housing and neighborhood options which are not widely available today**

- Broadly, they will demand (or choose to live elsewhere):
  - Many housing choices
  - Flexibility, including high quality rental options
  - Walkable neighborhoods
  - Inclusive communities





# The future will not be like the past or the present





# How a Housing Policy Plan is Created

- 1.** Initial meeting with village leaders and officials
  - Current development plans?
  - Goals for the future
  - Key development opportunities as seen by local leaders
- 2.** Future demand/supply study (local, regional)
  - Housing (including expansion potential)
  - Workforce expansion
- 3.** First follow up meeting with village leadership
  - Initial thoughts, findings
  - Feedback on development ideas

# Creating a Housing Policy Plan – (Continued)

4. Stakeholder or public workshop
5. Data refinement
6. Finalization of development ideas
7. Further review by village officials
8. Completion of the Plan

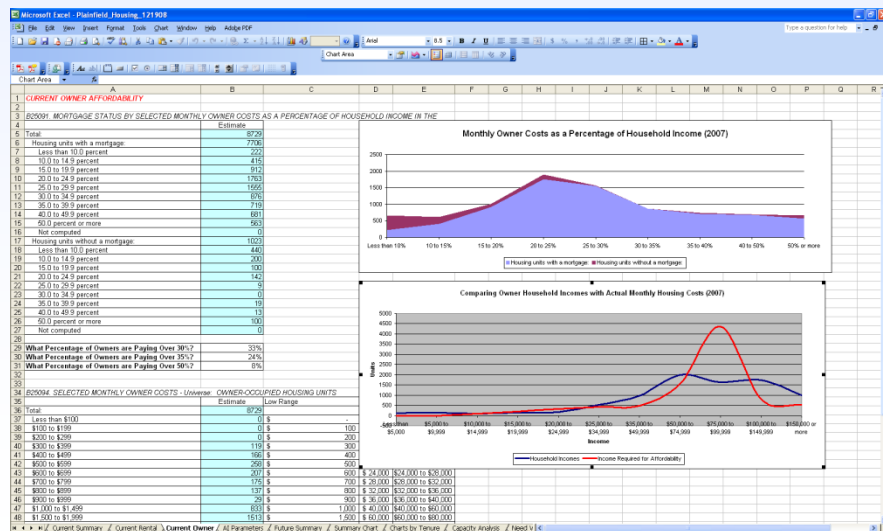
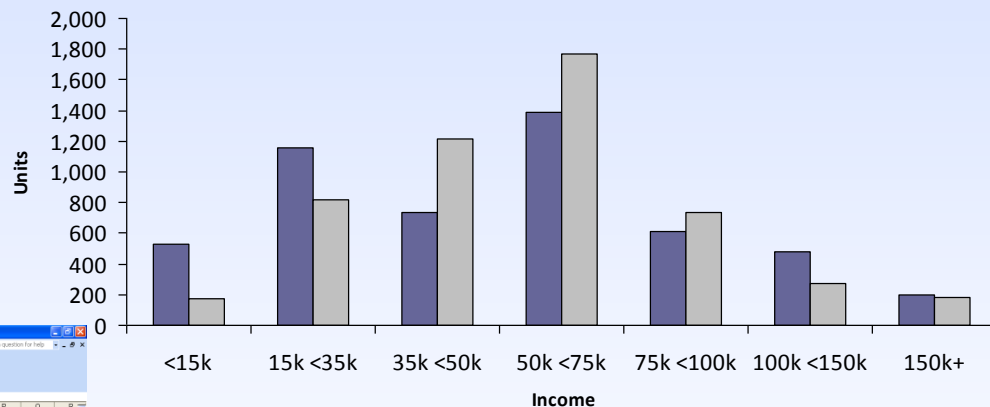
# Policy Plan Components

- Existing housing supply analysis
- One public or stakeholder workshop
- A sub-regional housing analysis
- A workforce housing analysis
- A special needs/supportive housing analysis
- Future housing analysis including targeted market segments
- Policy and strategic recommendations with targeted goals
- 2-D and 3-D visualizations
- Document design and layout

1

# Analysis of your community's existing housing supply, including the matches and mismatches by age, household income and tenure (rental or owner-occupied).

## Actual Owner-Occupied Household Incomes Compared with Affordable Units (2009)



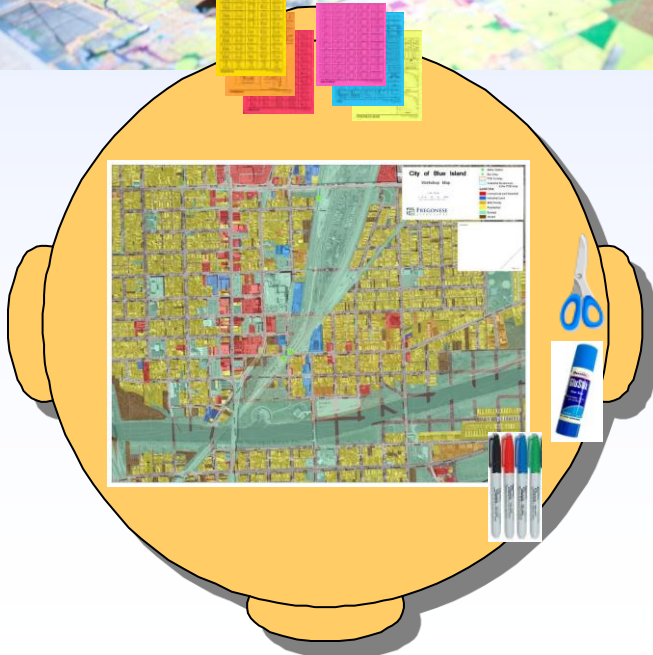
# Capacity Analysis

- Estimated the amount of vacant land and redevelopment potential by zone for each pilot municipality using local GIS data
- Adjustments, as needed, based on special census and feedback from the communities

The diagram illustrates the formula for Capacity Analysis. On the left, two rectangular boxes are stacked vertically: a teal box on top labeled "Vacant Land" and a grey box below it labeled "Redevelopable Land". To the right of these boxes is a large black "X" symbol, representing multiplication. Further right is a light blue rectangular box labeled "Allowable Density". To the right of this box is an equals sign "=" symbol. Finally, on the far right, is a yellow rectangular box labeled "Capacity".

$$\begin{array}{c} \text{Vacant Land} \\ \text{Redevelopable Land} \end{array} \times \text{Allowable Density} = \text{Capacity}$$

## 2 Design, planning and facilitation of one public or stakeholder workshop for your community.

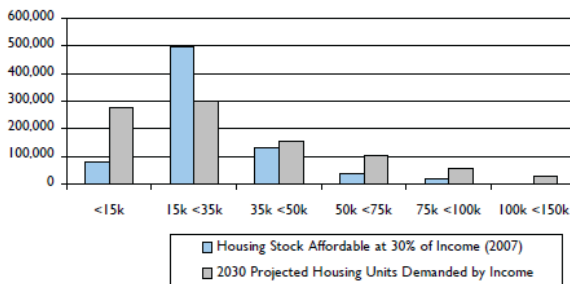




3

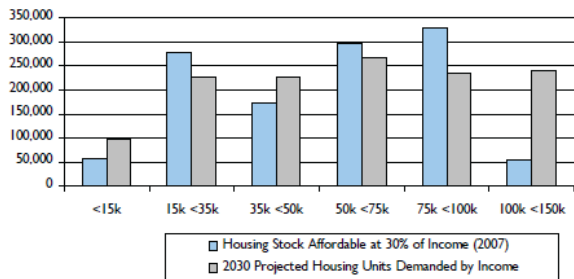
A sub-regional housing analysis which identifies opportunities and gaps in the housing profile and looks for opportunities for collaboration between your community and your neighbors.

**Exhibit 3: Cook County Rental Demand Compared to Current Housing Stock**

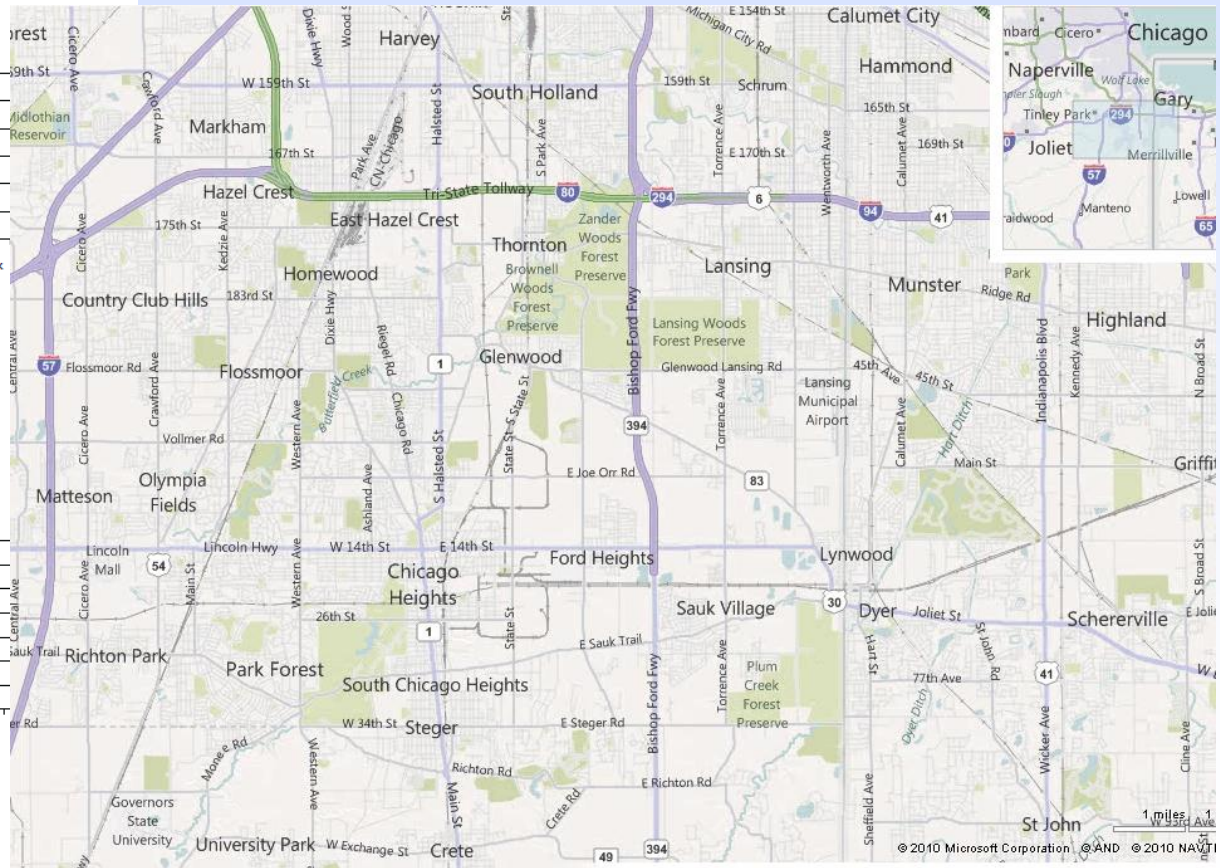


Source: Fregonese Associates

**Exhibit 4: Cook County Ownership Demand Compared to Current Housing Stock**



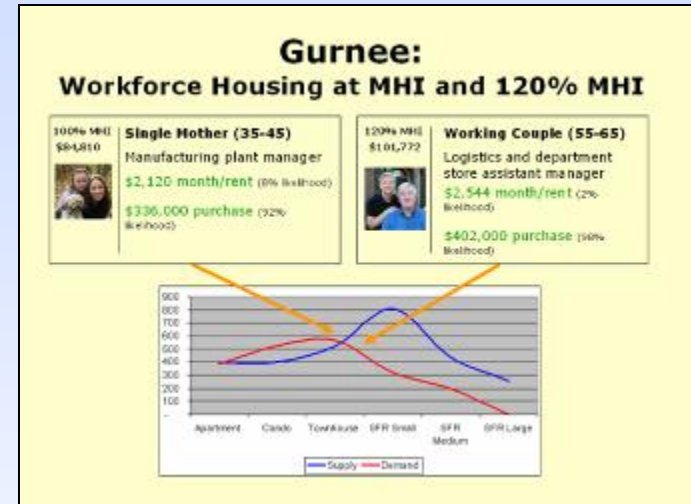
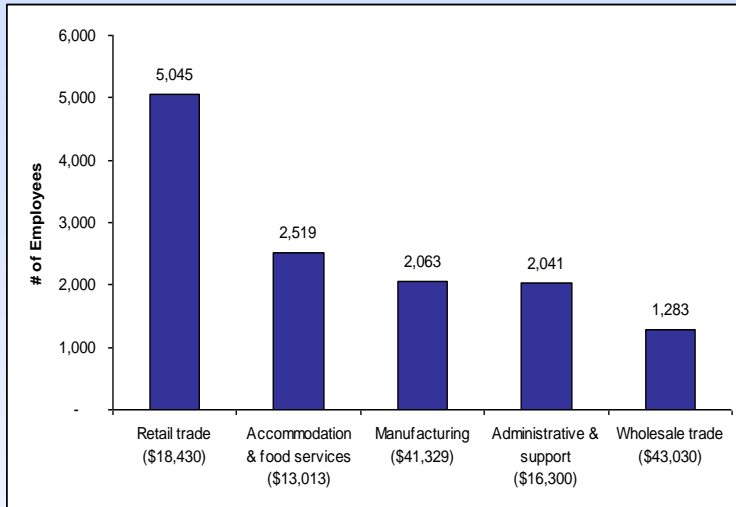
Source: Fregonese Associates



© 2010 Microsoft Corporation. © AND © 2010 NAVI

# 4

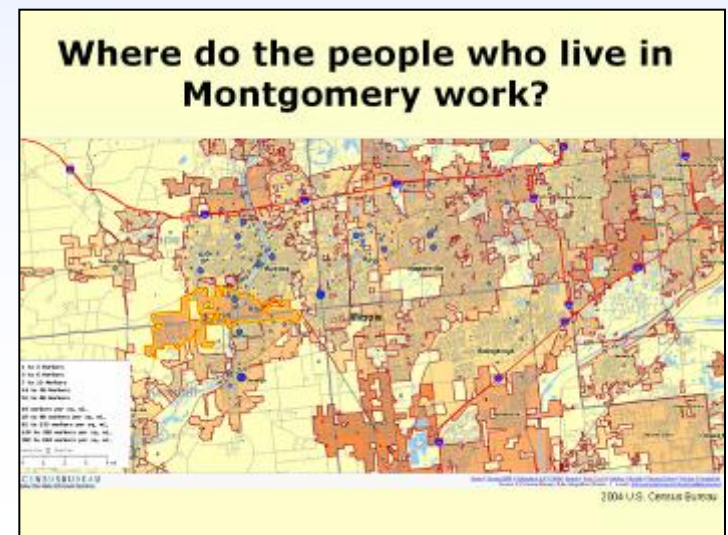
A workforce housing analysis which focuses on the match between the sub-region's key employment sectors and the housing in the community.



**Where do the people who live in Montgomery work?**

City/Town	Percent of Workforce
Aurora, IL	20.4%
Naperville, IL	6.4%
<b>Montgomery, IL</b>	<b>6.4%</b>
Chicago, IL	6.1%
Oswego, IL	5.2%

2004 U.S. Census Bureau



# 5 A special needs/supportive housing analysis

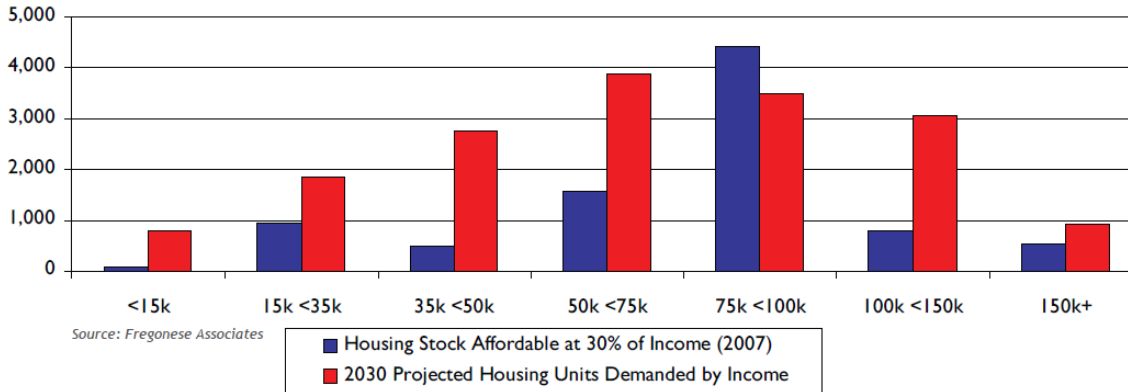




# 6

A future housing analysis including market segments using Claritas PRIZM® NE data. Our recommendations will focus on meeting the current and future needs of each segment, along with strategies for attracting targeted segments.

Exhibit 2: 2030 Ownership Demand Compared to Current Housing Stock



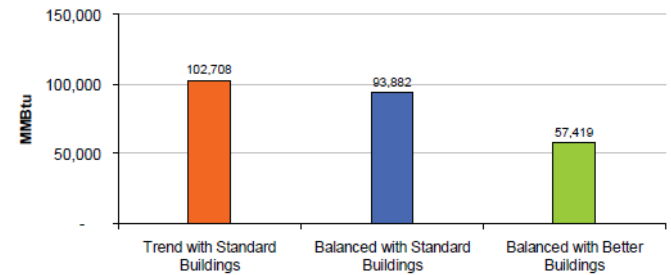
Market Segment	Description	Percentage of Households
Brite Lites, Li'l City	Upscale Middle Age w/o Kids	10%
Up-and-Comers	Middle-Income Younger w/o Kids	9%
Upward Bound	Upscale Middle Age w/Kids	9%
New Beginnings	Low Income Younger Mix	7%
Young Influentials	Middle Income Younger w/o Kids	6%

7

A series of policy and strategic recommendations for creating a balanced, sustainable future housing supply along with targeted goals that can be used to determine a community's future progress in implementing the plan.

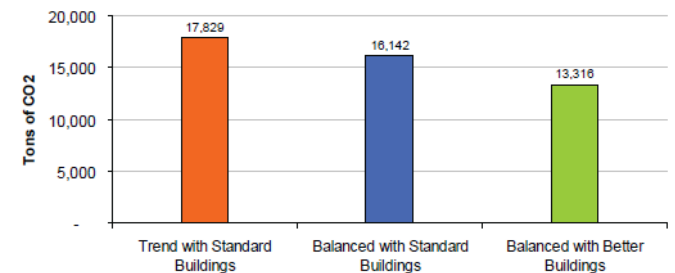
Age of Household	# of Units	Preferences
Under 25 years	649	Predominantly apartments
25-44 years	2,568	Mix of single family, apartments/condos and townhomes
45-64 years	4,045	Mix of single family, apartments/condos and townhomes
65 years or over	6,293	Mostly smaller units including apartments/condos and townhomes

Exhibit 3: Annual Energy Use of Blue Island Build-Out Alternatives (in MMBtu)



Source: Fregonese Associates

Exhibit 4: Annual Carbon Footprint of Blue Island Build-Out Alternatives (in tons of CO<sub>2</sub>)



Source: Fregonese Associates

# Strategic Housing Recommendations Use Public Investments to Encourage Private Housing Development

- Public investments in streetscapes and public places that increase development feasibility









# 9 Document design and layout process.



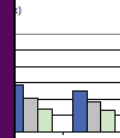
## HOMES FOR A CHANGING REGION

PHASE 2: IMPLEMENTING BALANCED HOUSING PLANS AT THE LOCAL LEVEL

YEAR THREE: BLUE ISLAND, PLAINFIELD AND WOODSTOCK

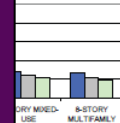
CHICAGO METROPOLIS 2020 AND THE METROPOLITAN MAYORS CAUCUS

REGION: PHASE 2



Source:  
Fregonese Associates

per Unit)



Source:  
Fregonese Associates

could reduce  
ts in two  
ove toward  
strategy for each  
ing mixes with  
ingle family  
artments. We  
on savings if  
both of these  
thin each of the

gy saving  
using stocks.  
National  
verage home  
annual energy  
y basis.

POLICY PLAN



Inform ideas and  
the future of the  
workshop helped

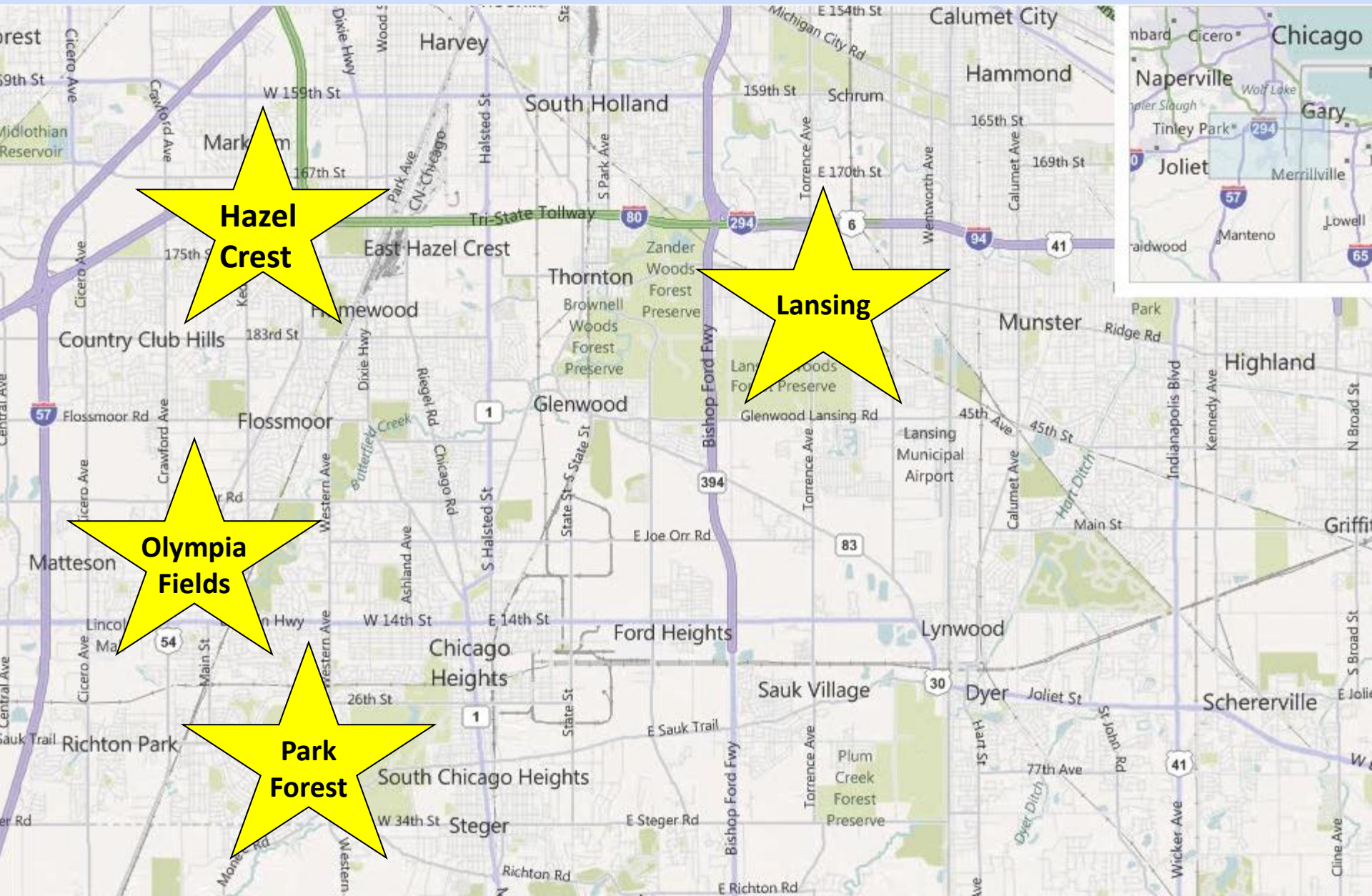


5

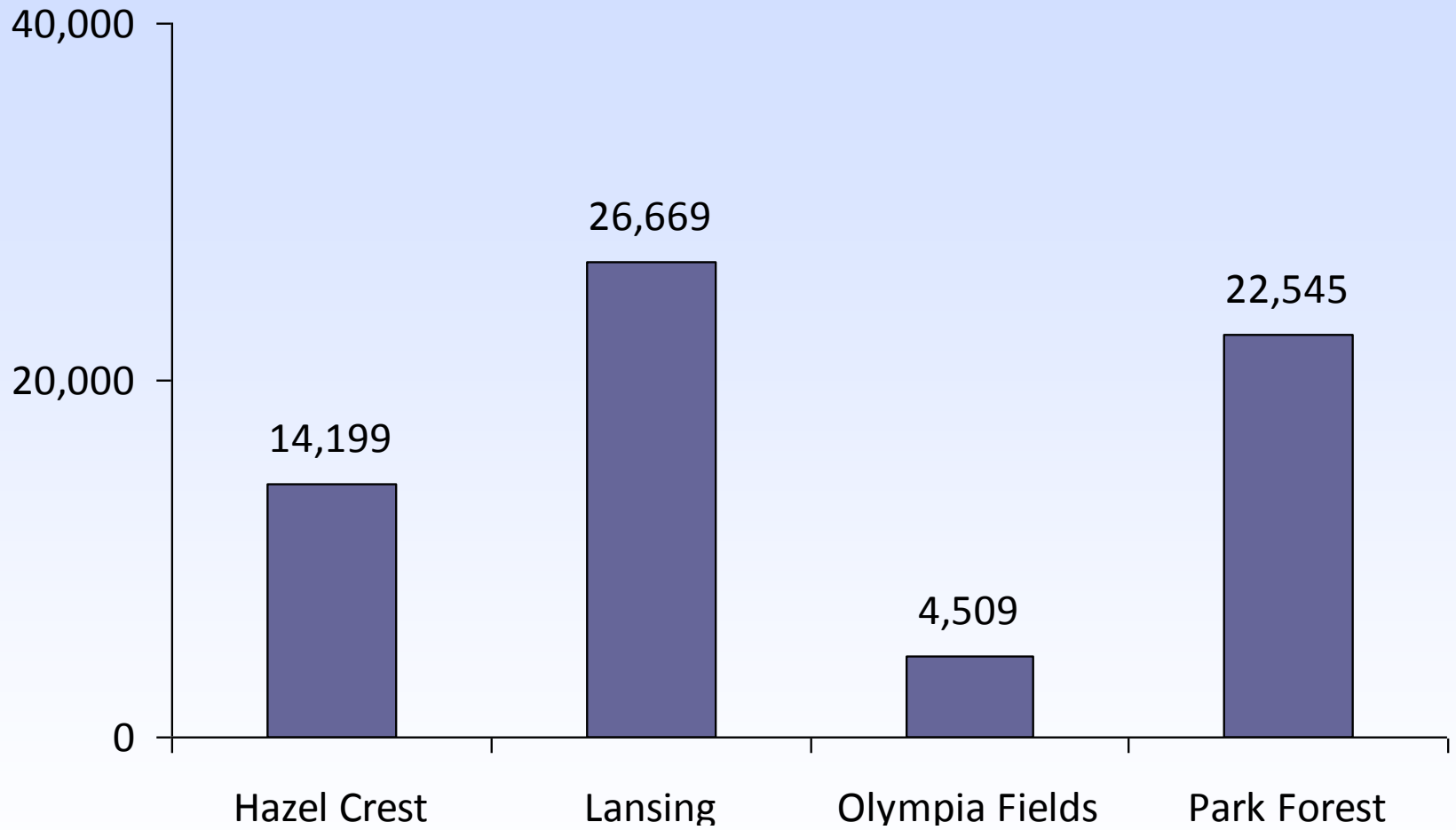
ound Blue Island's  
ney would soon be transformed into the Chicago River.



## Our Communities Today

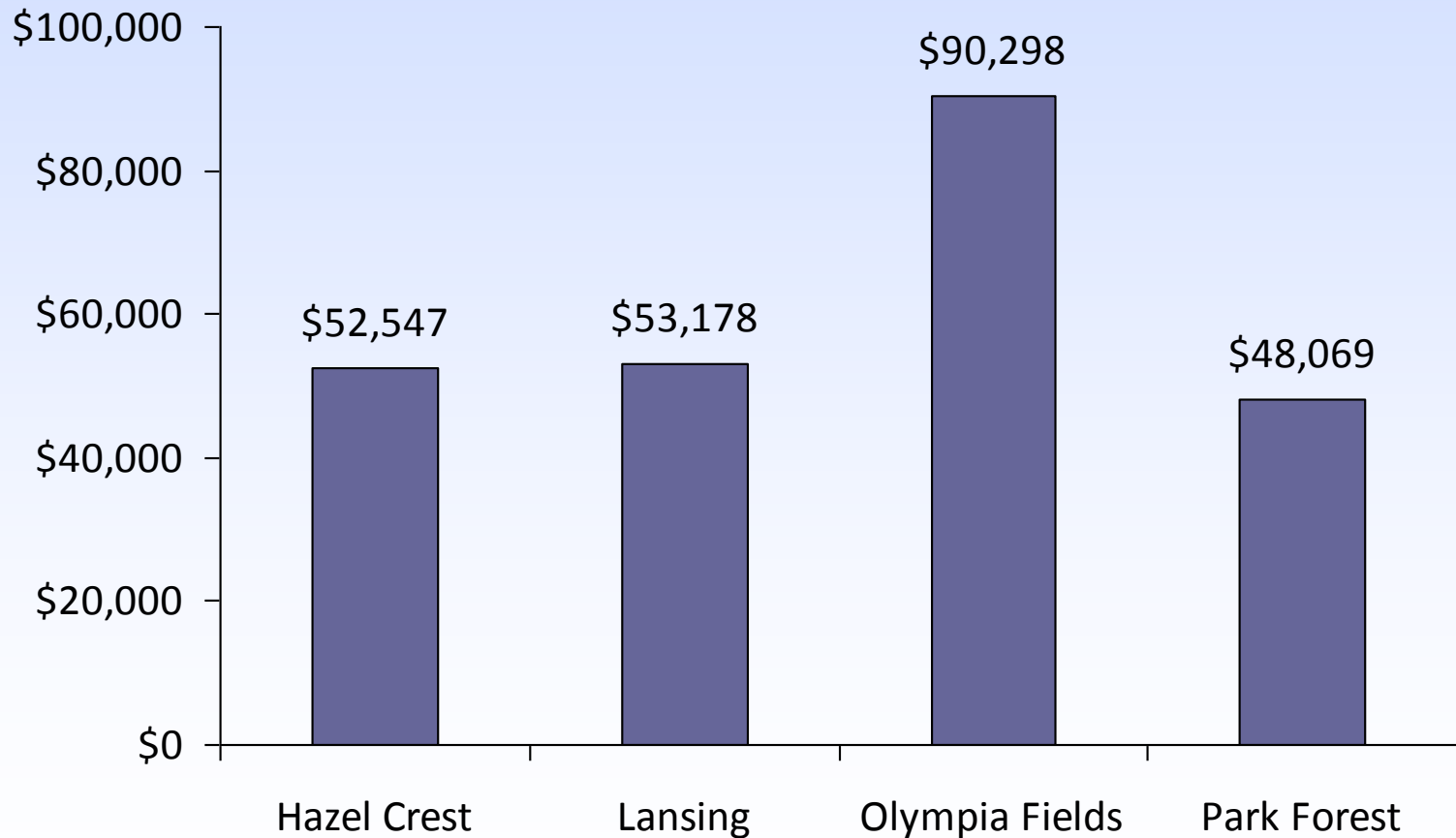


# Population



*Source: 2005-2009 American Community Survey*

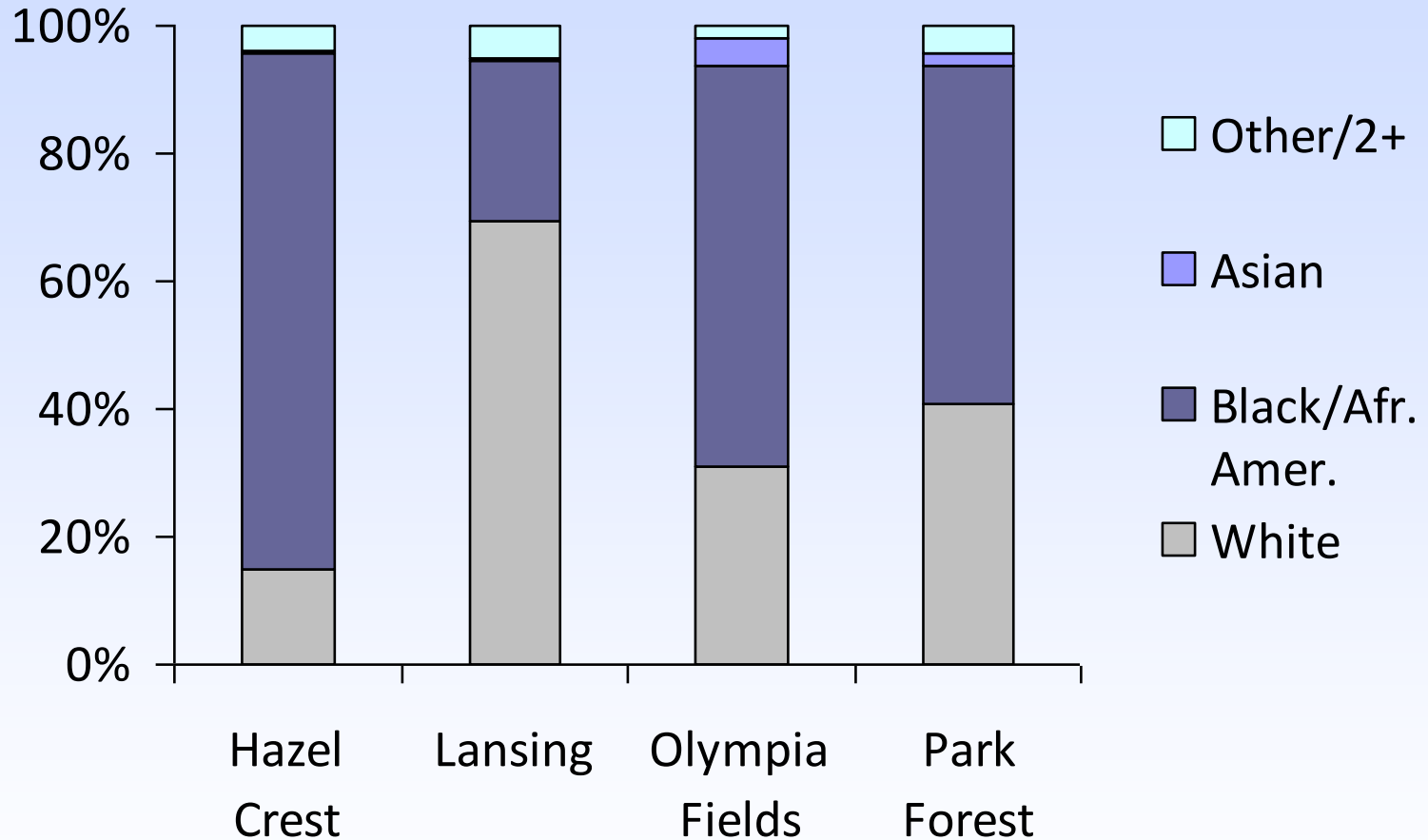
# Median Household Income



*Source: 2005-2009 American Community Survey*

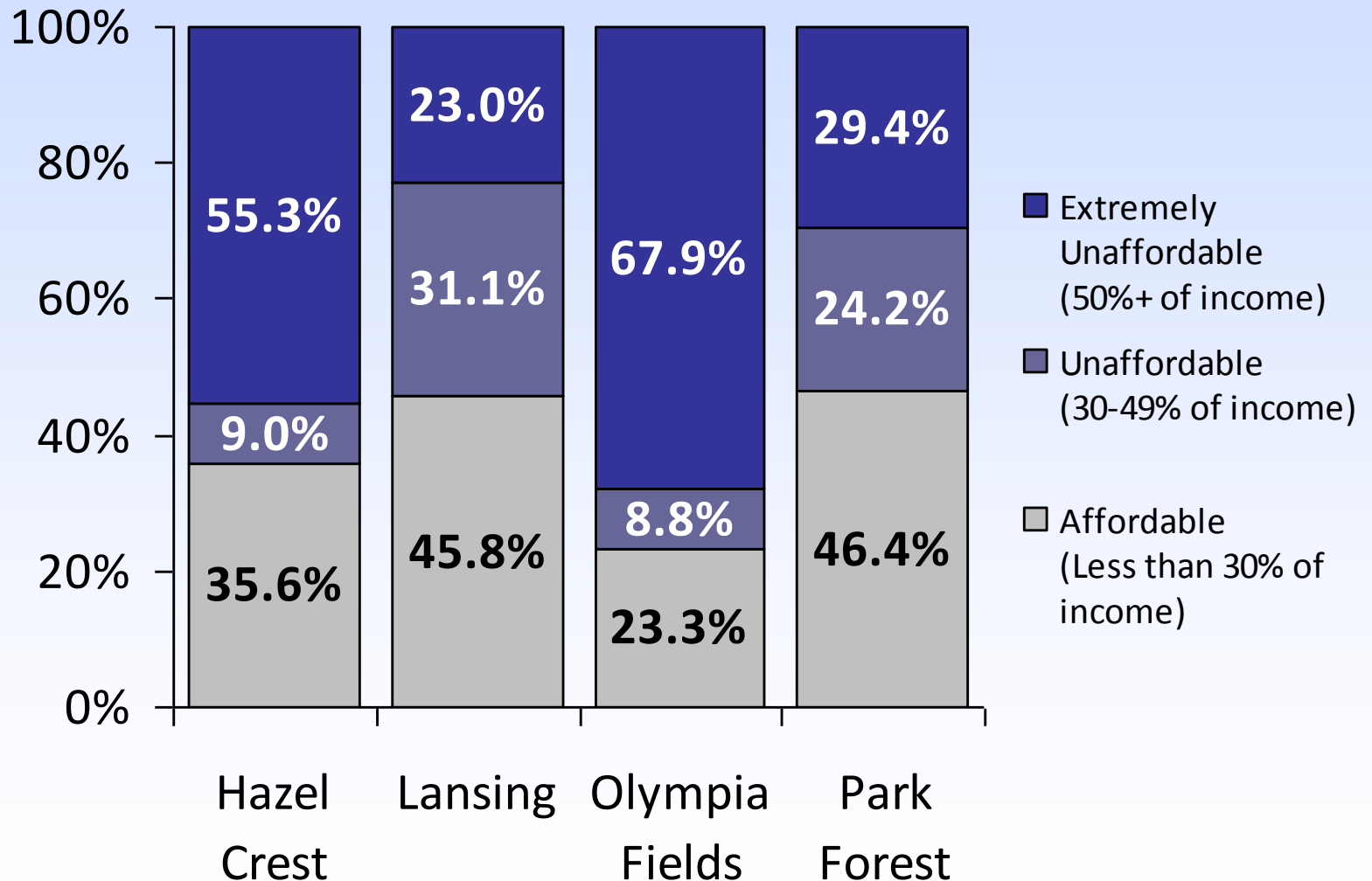


# Race



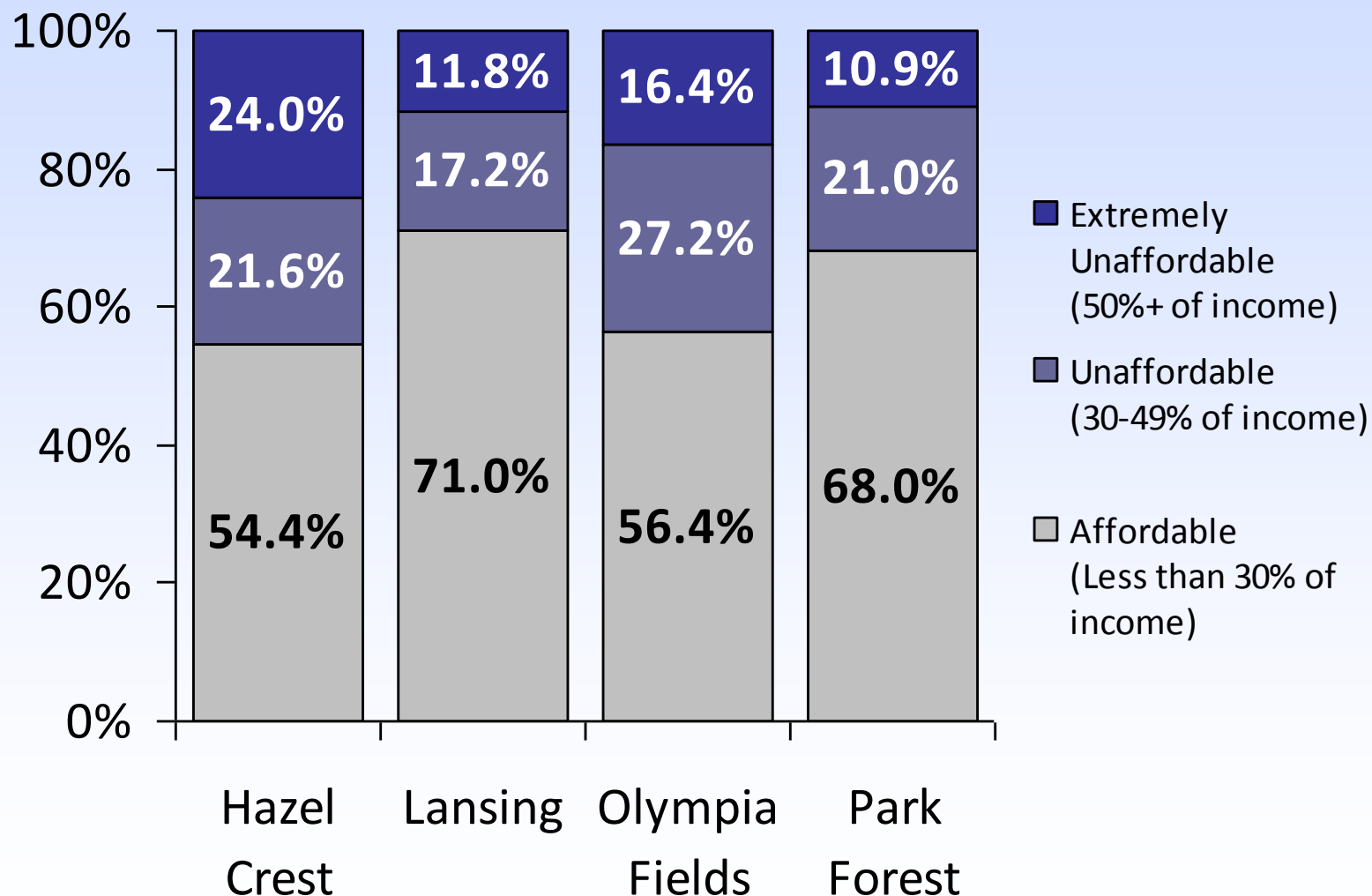
% Hispanic (of any race)	4.6%	9.0%	0.4%	5.5%
-----------------------------	------	------	------	------

# Housing Affordability for Renters



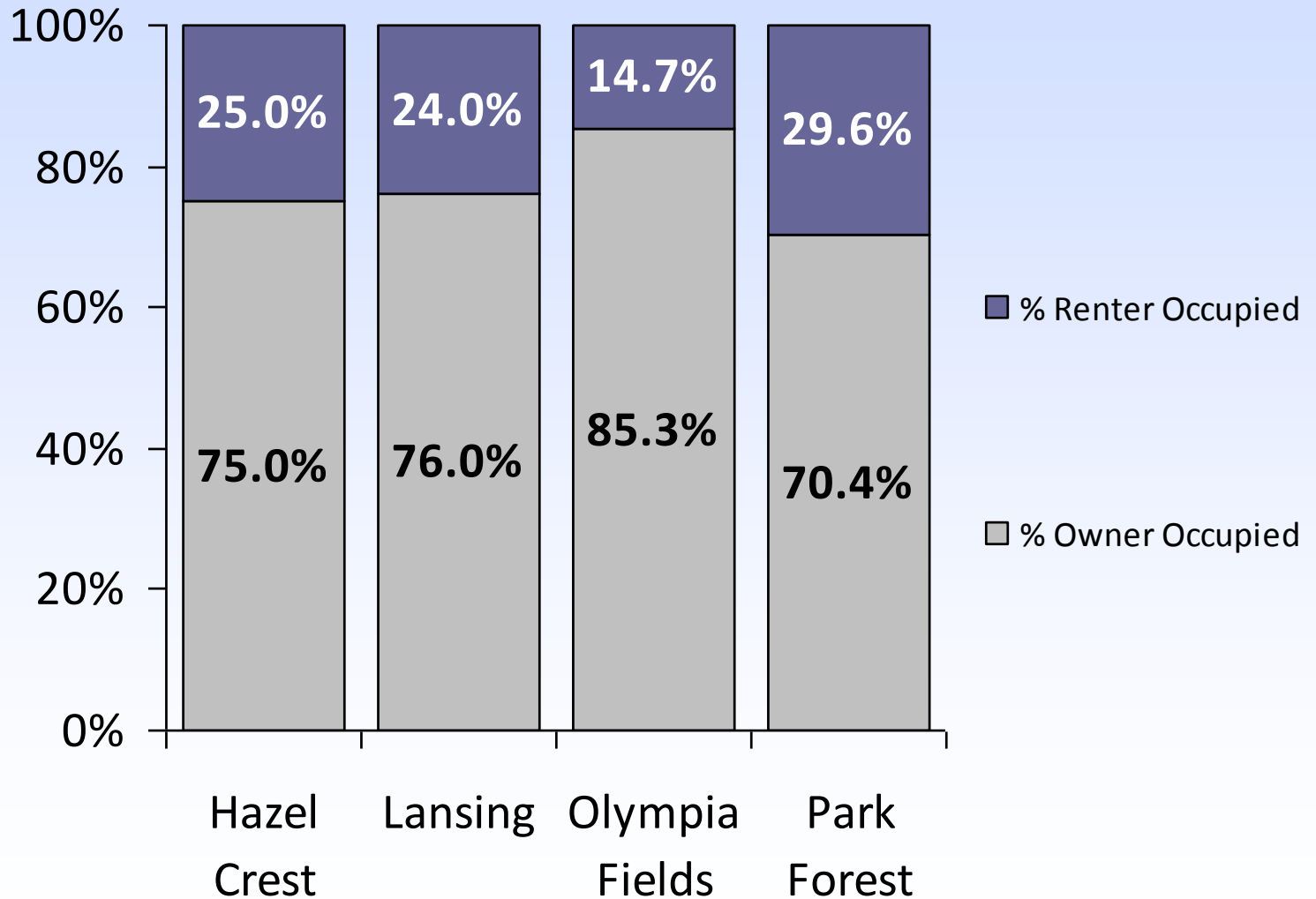
*Source: 2005-2009 American Community Survey*

# Housing Affordability for Owners



*Source: 2005-2009 American Community Survey*

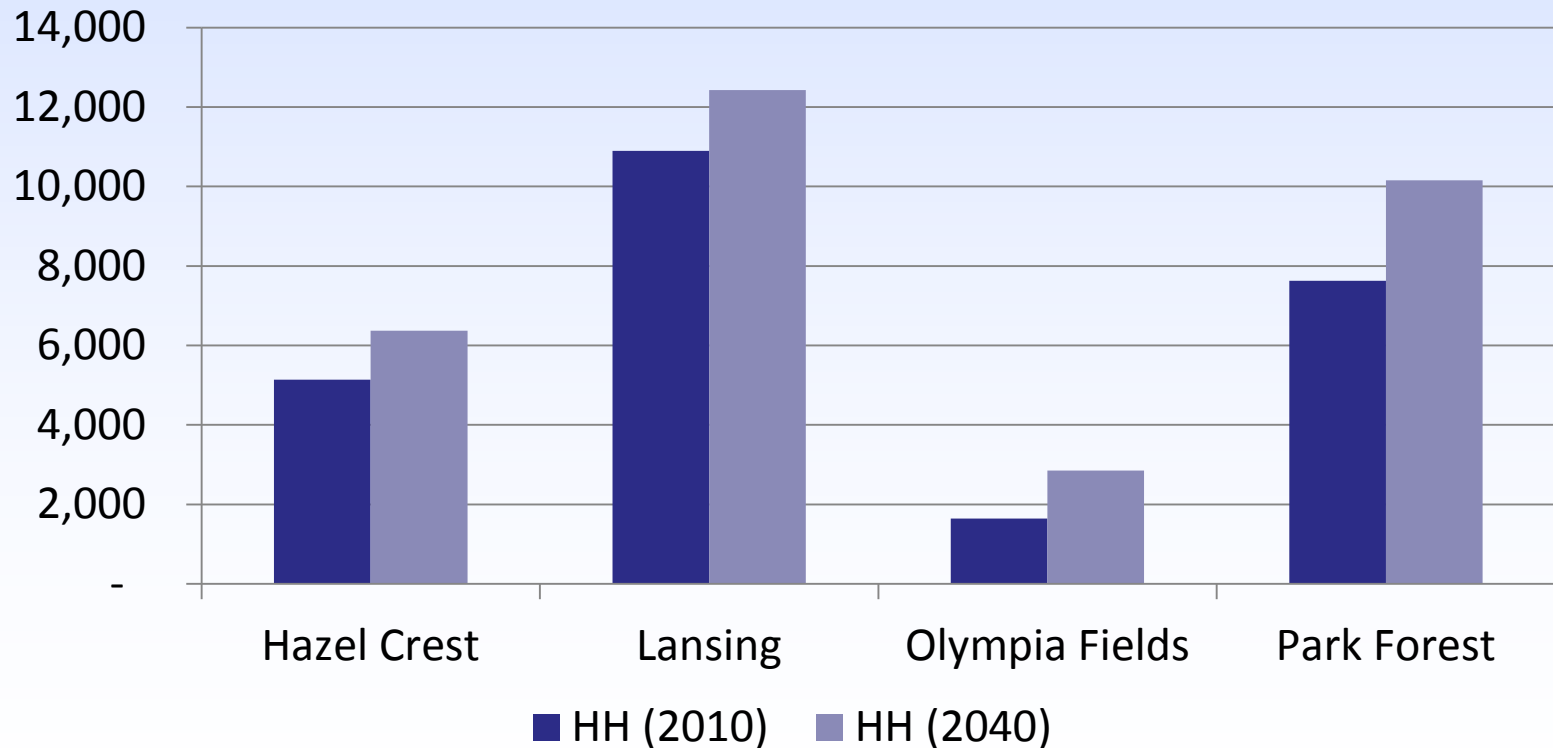
# Own Vs. Rent



*Source: 2005-2009 American Community Survey*

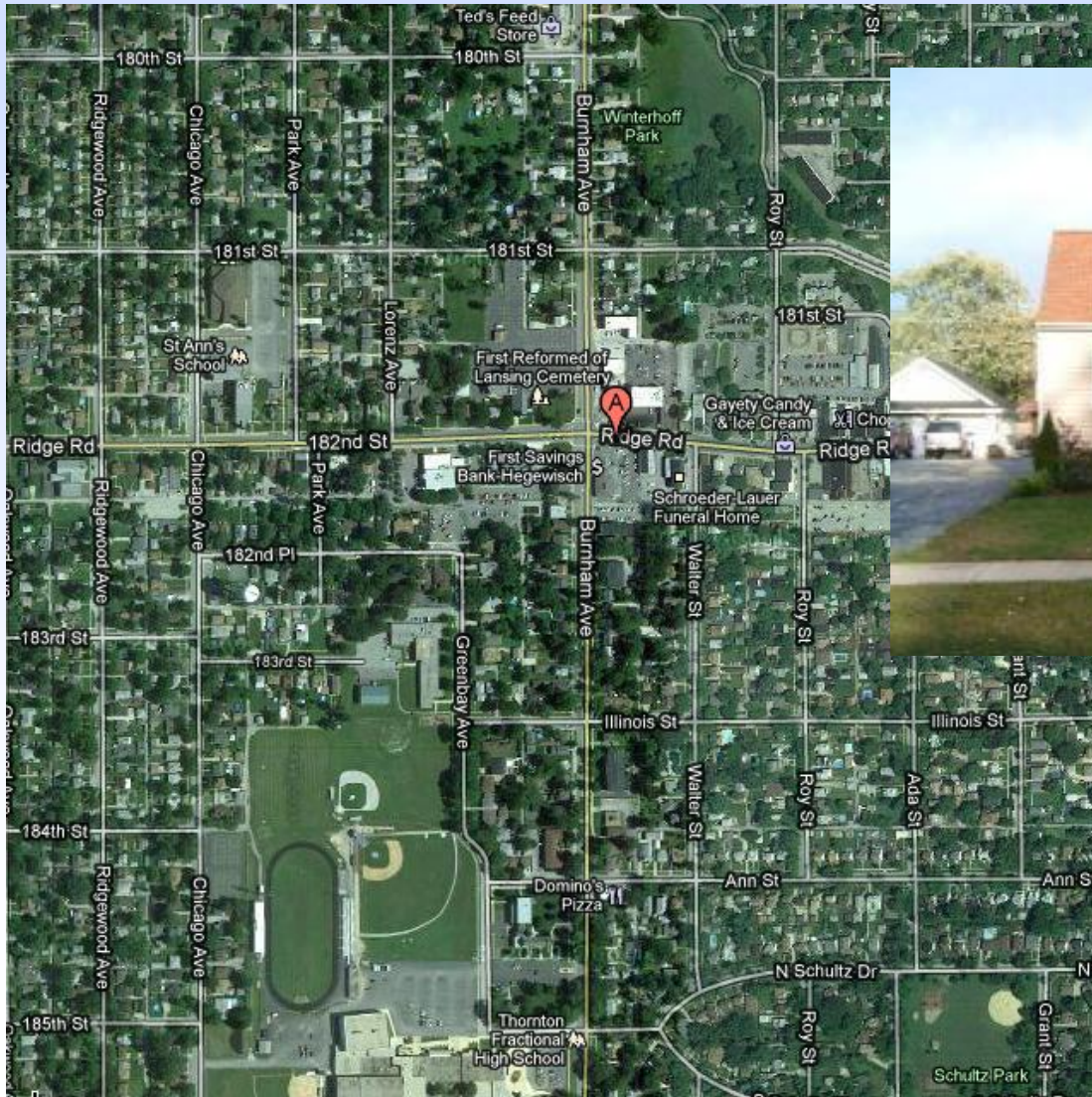
# Projected Household Growth (2010-2040)

**CMAP Household Data Summarized by Municipality  
(2010-2040)**





# Lansing



# Presentation Overview

- Current housing stock
- Affordability trends
- Current workforce
- Walkability

# Population Information

2005-2009 ACS Data

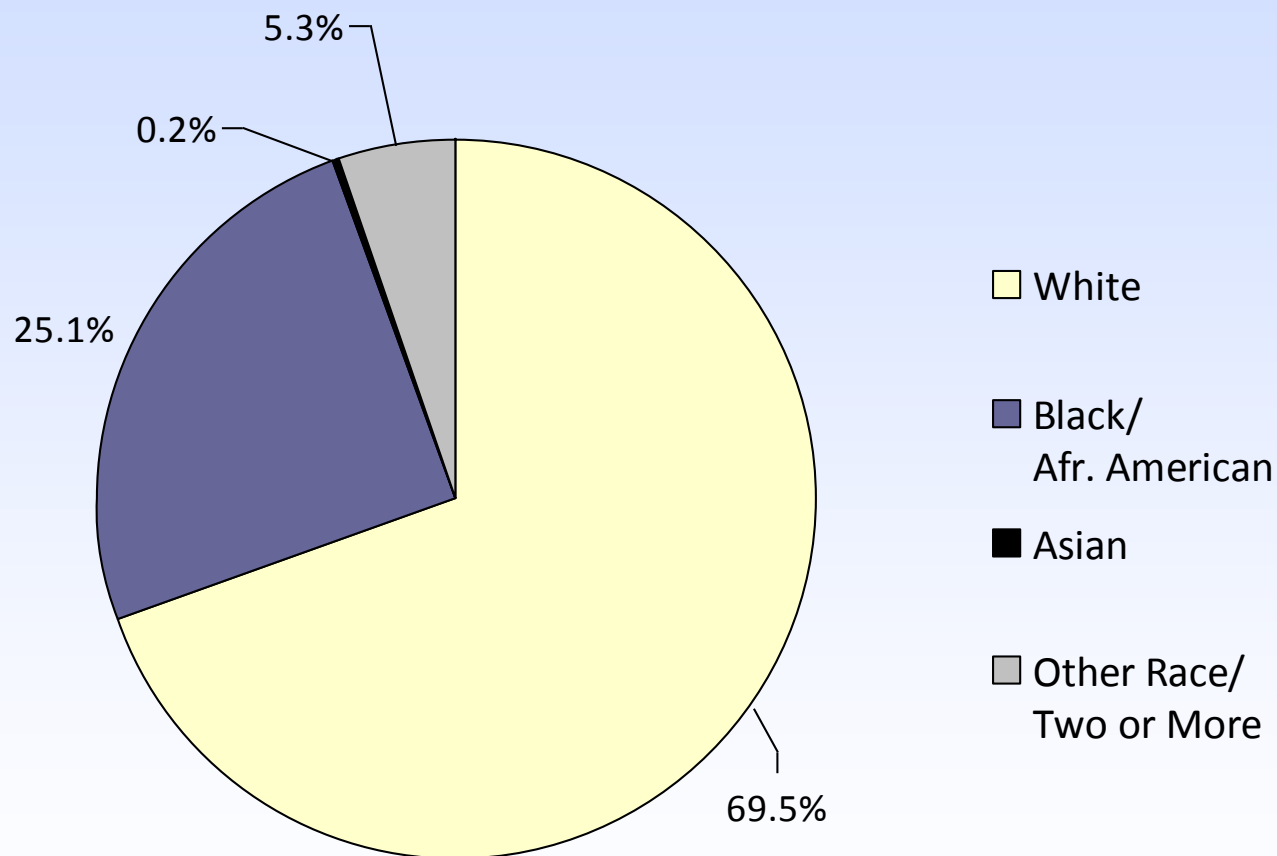
Population: 26,669 (-6% since 2000)

Households: 11,639 (+2% since 2000)

Median HH income: \$53,178

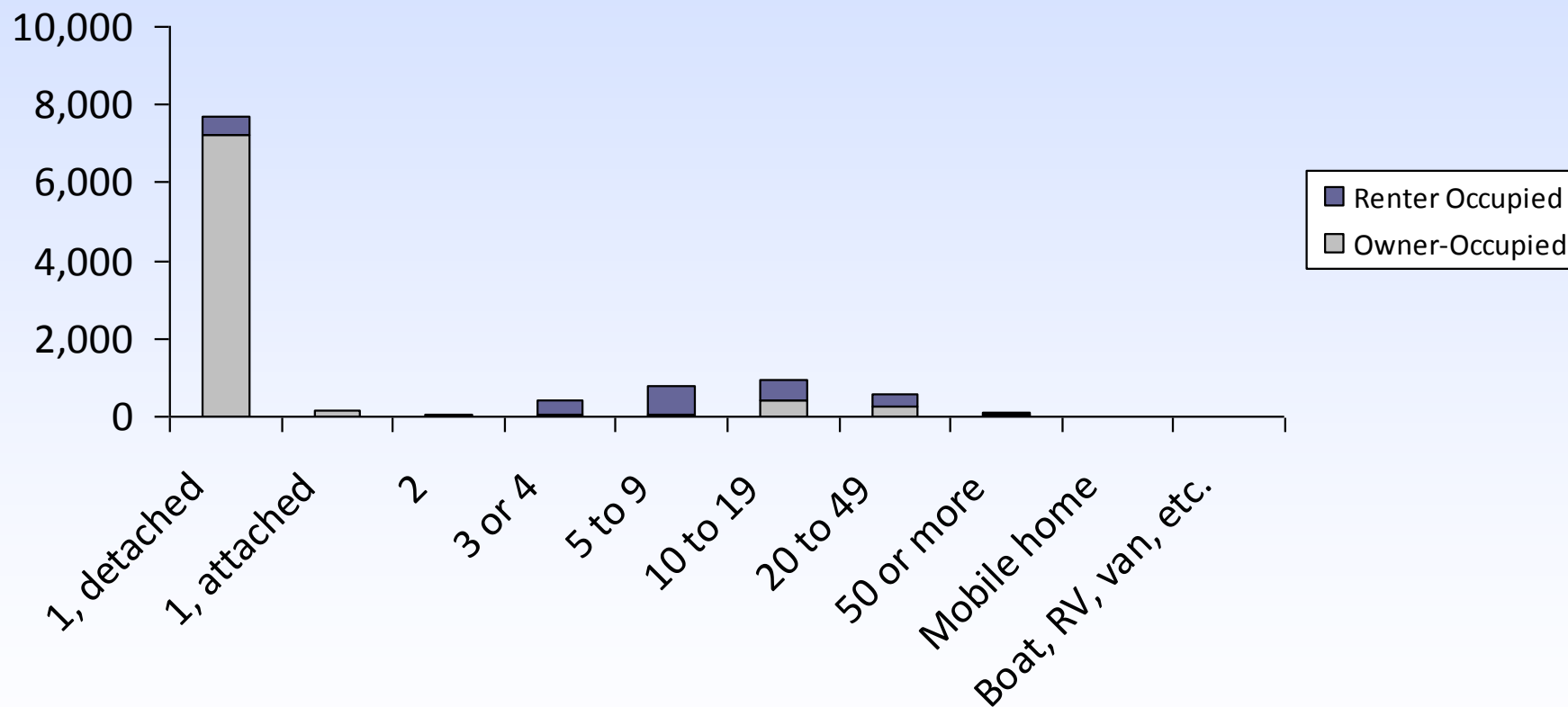
10.6% below the poverty line

# Race/Ethnicity



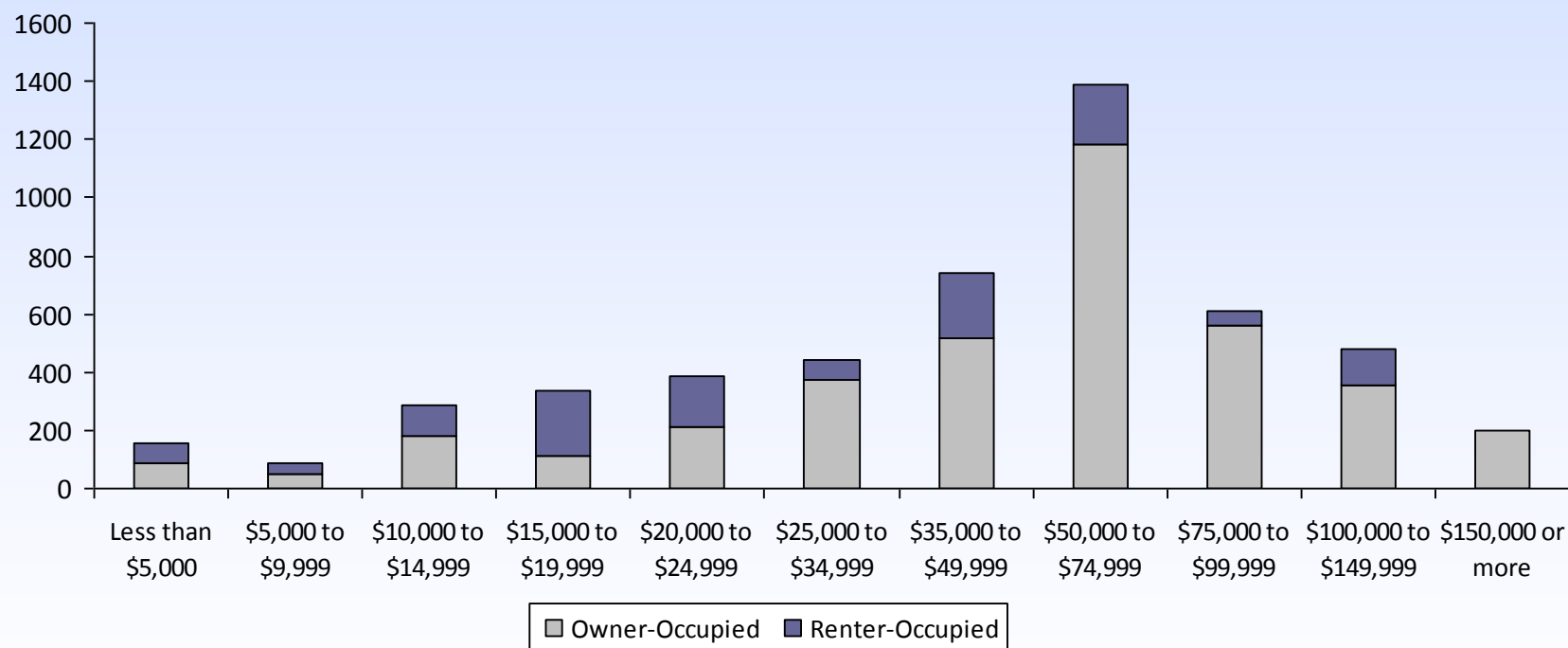
• 9.8% Hispanic/Latino (of any race)

# Tenure by Units in Structure



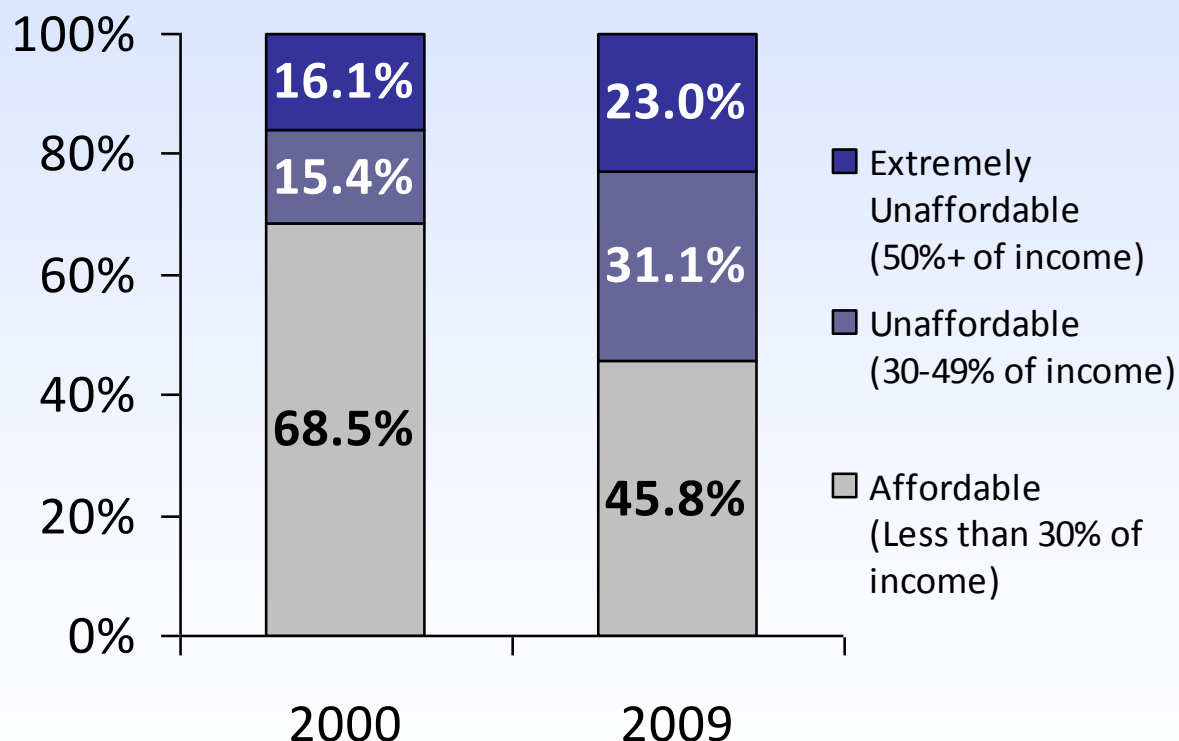


# Income by Tenure

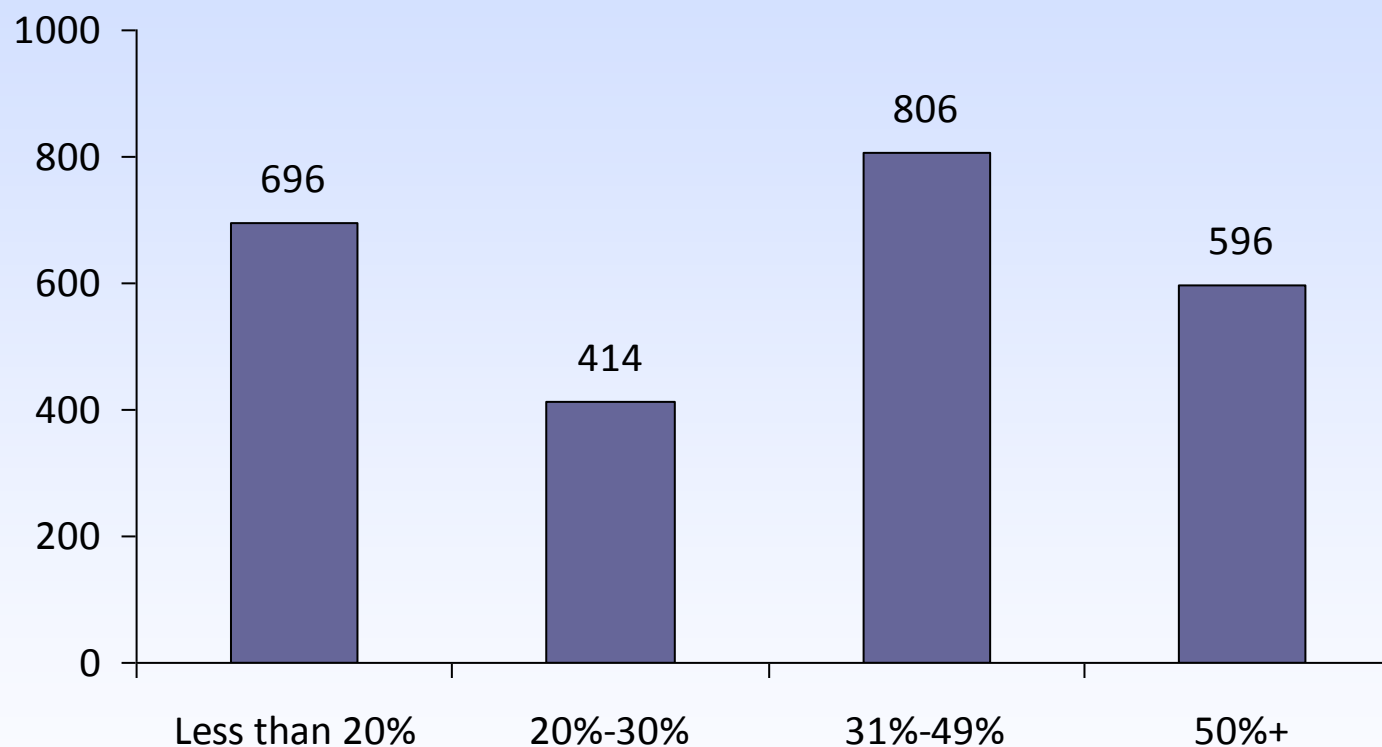


# Renter-Occupied Housing Affordability 2000-2009

% Lansing renters living in unaffordable housing

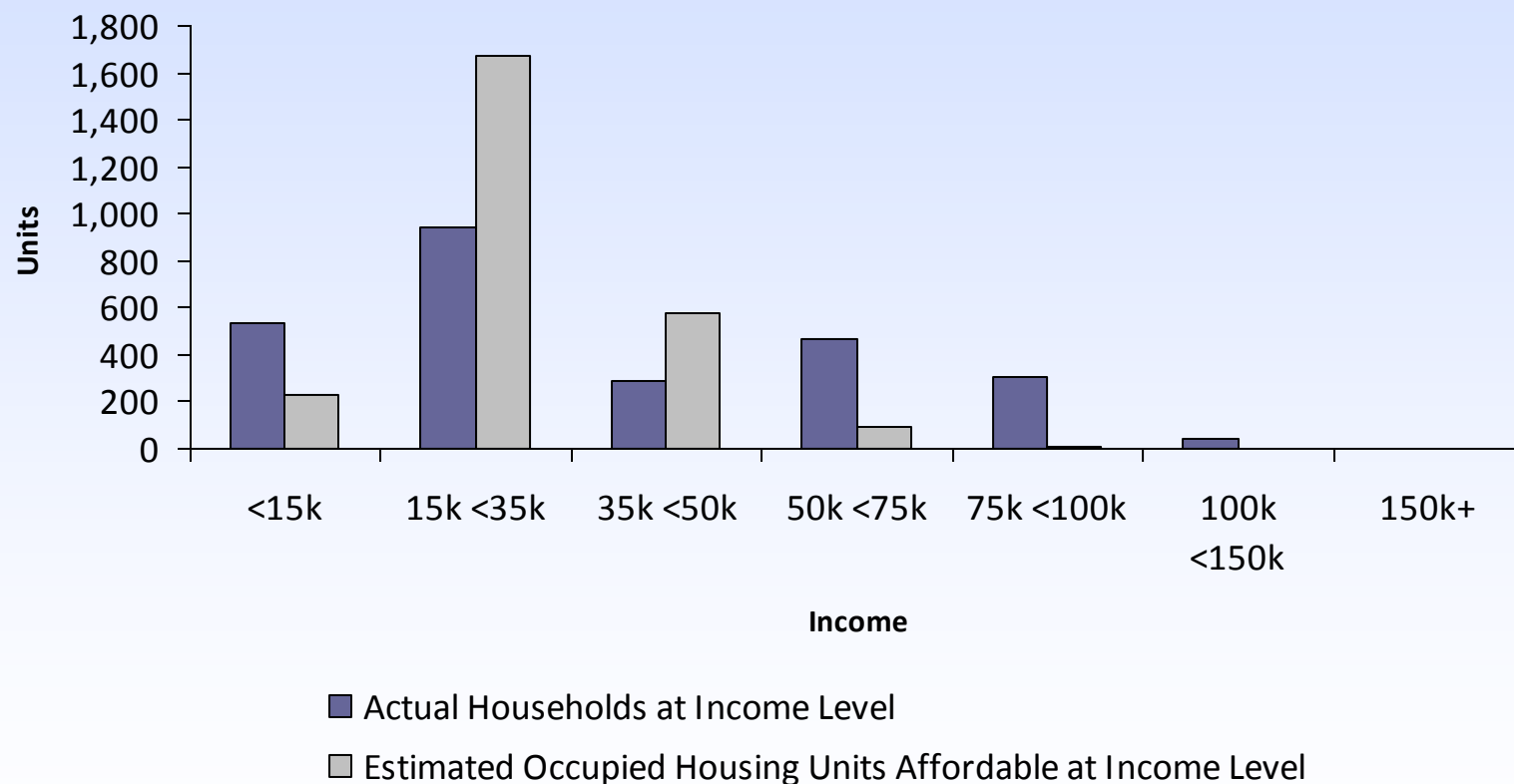


# Gross Rent as a Percentage of Household Income



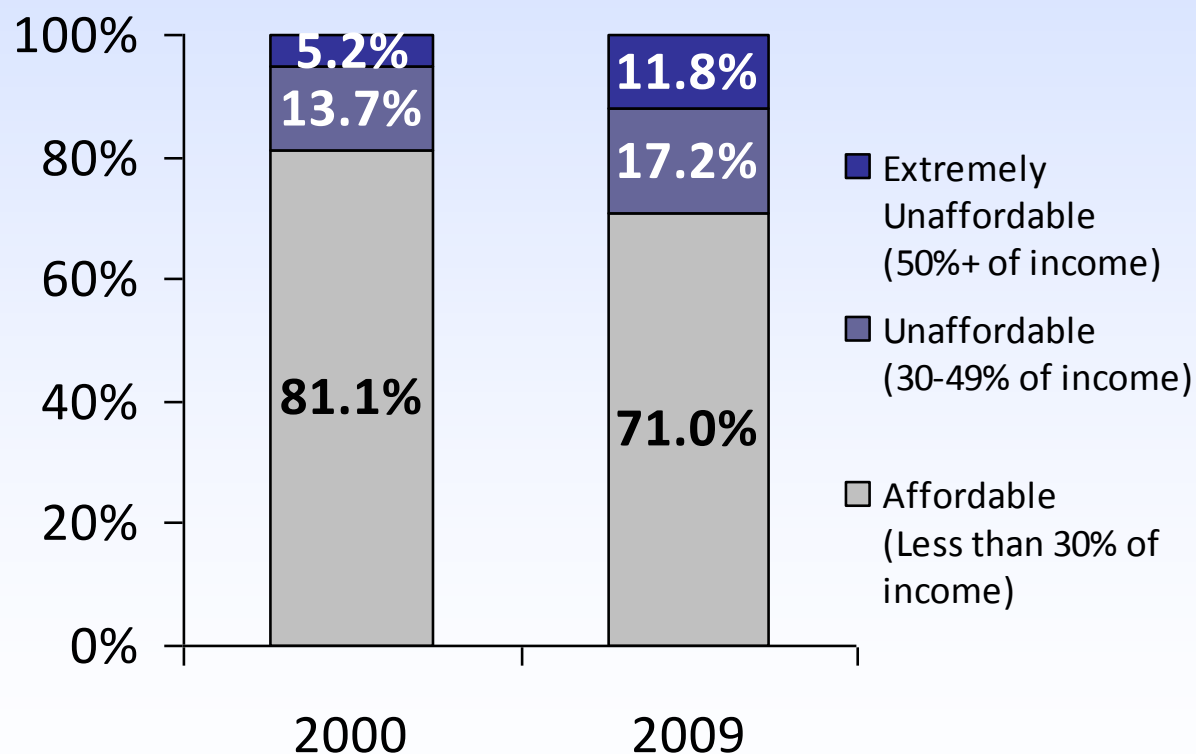
<b>Renters Paying Over 30%</b>	54.2%
<b>Renters Paying Over 50%</b>	23.0%

# Actual Rental Household Incomes Compared with Affordable Units (2009)



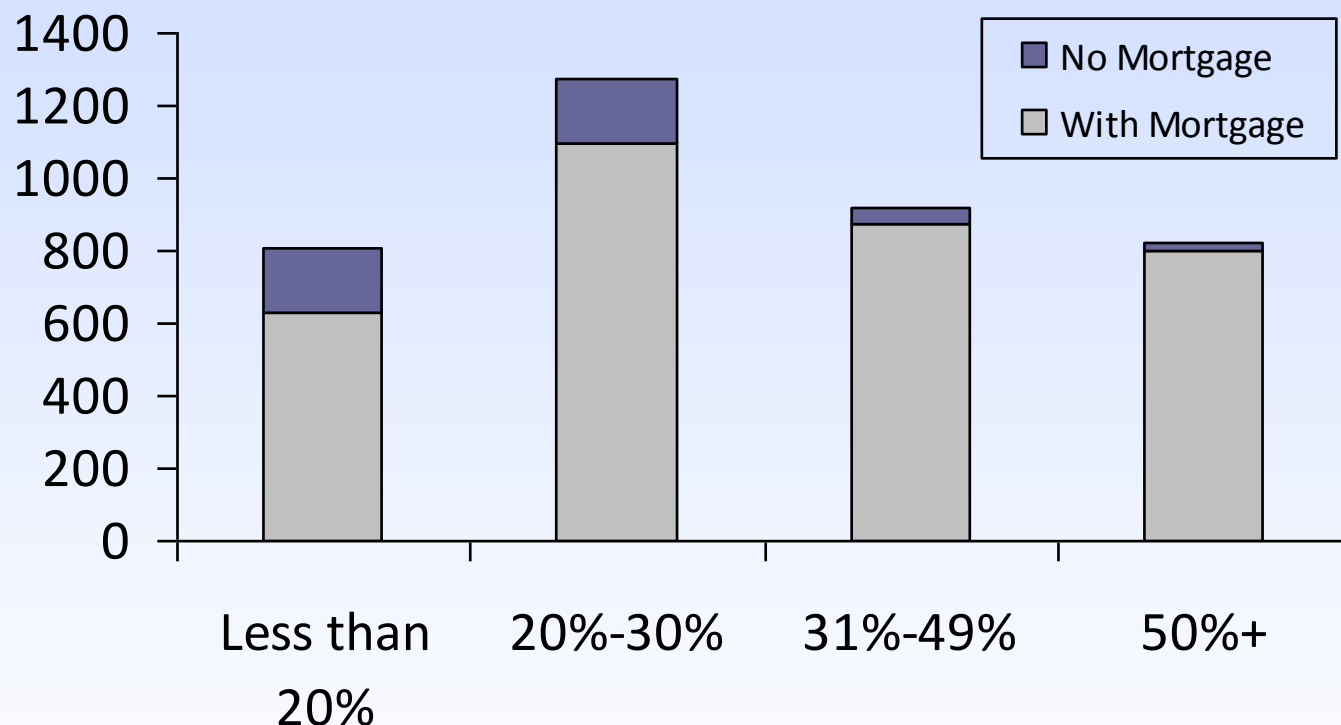
# Owner-Occupied Housing Affordability 2000-2009

% Lansing owners living in unaffordable housing



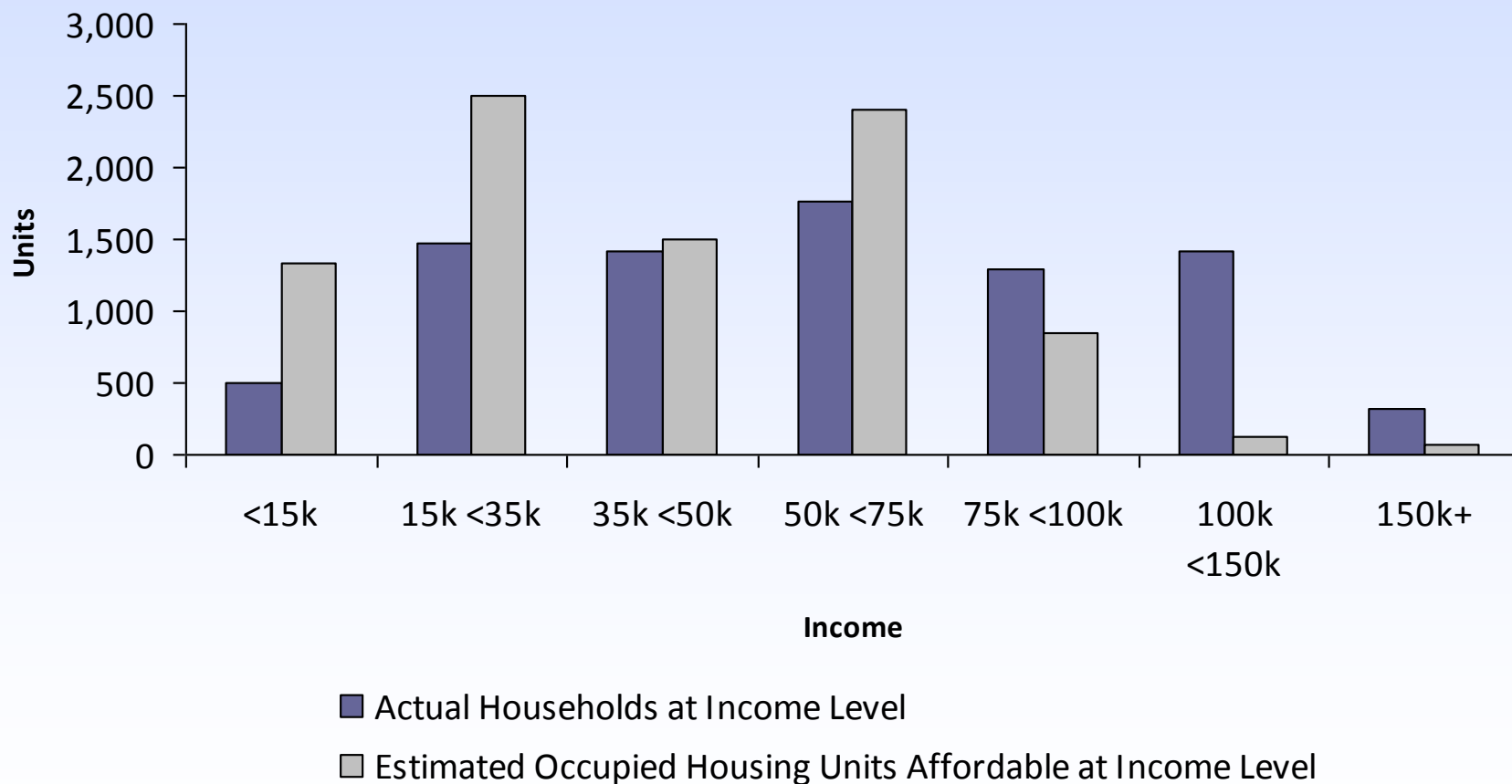


# Monthly Owner Housing Costs as a Percentage of Household Income

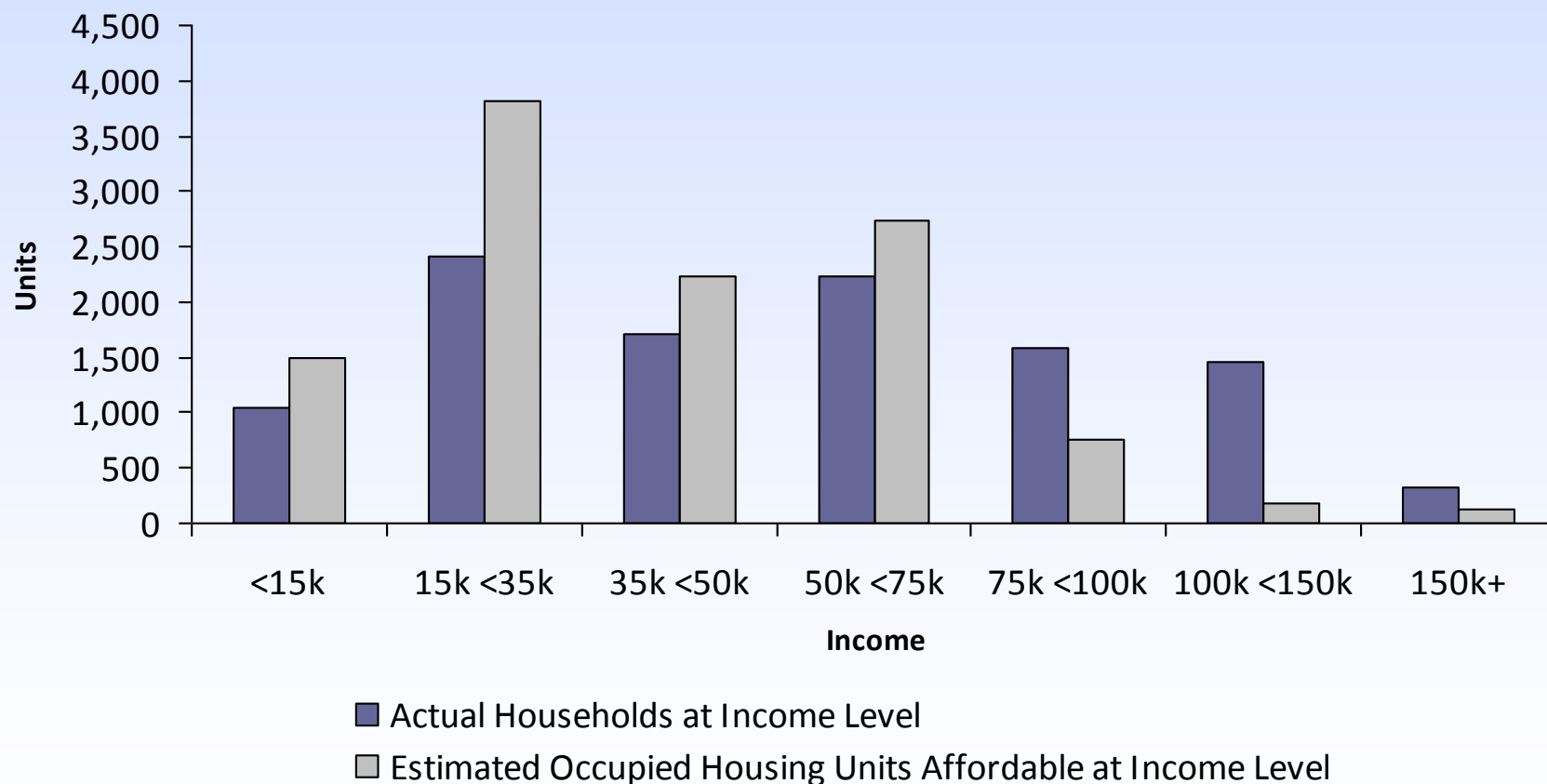


Owners Paying Over 30%	29.0%
Owners Paying Over 50%	11.8%

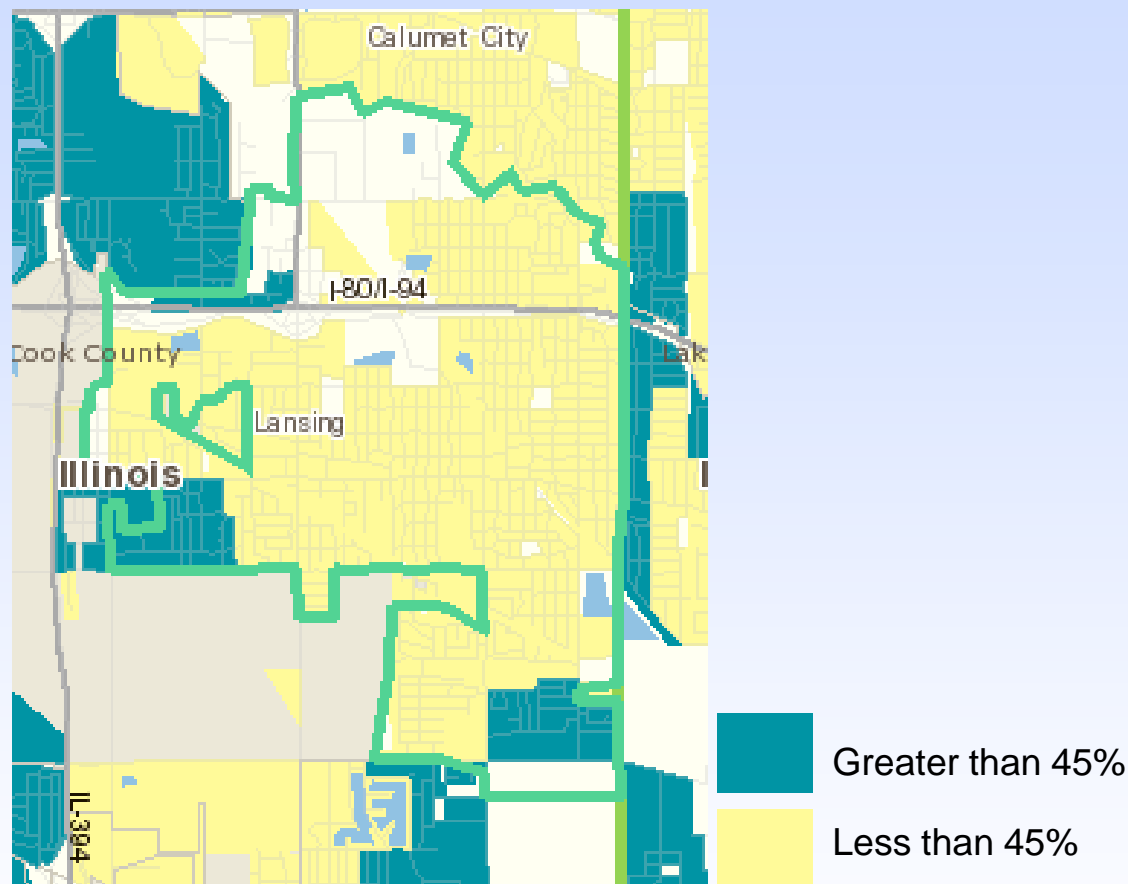
# Actual Owner-Occupied Household Incomes Compared with Affordable Units (2009)



# Comparing Actual Household Incomes with Units Affordable at Each Income Level (Renter and Owner-Occupied)

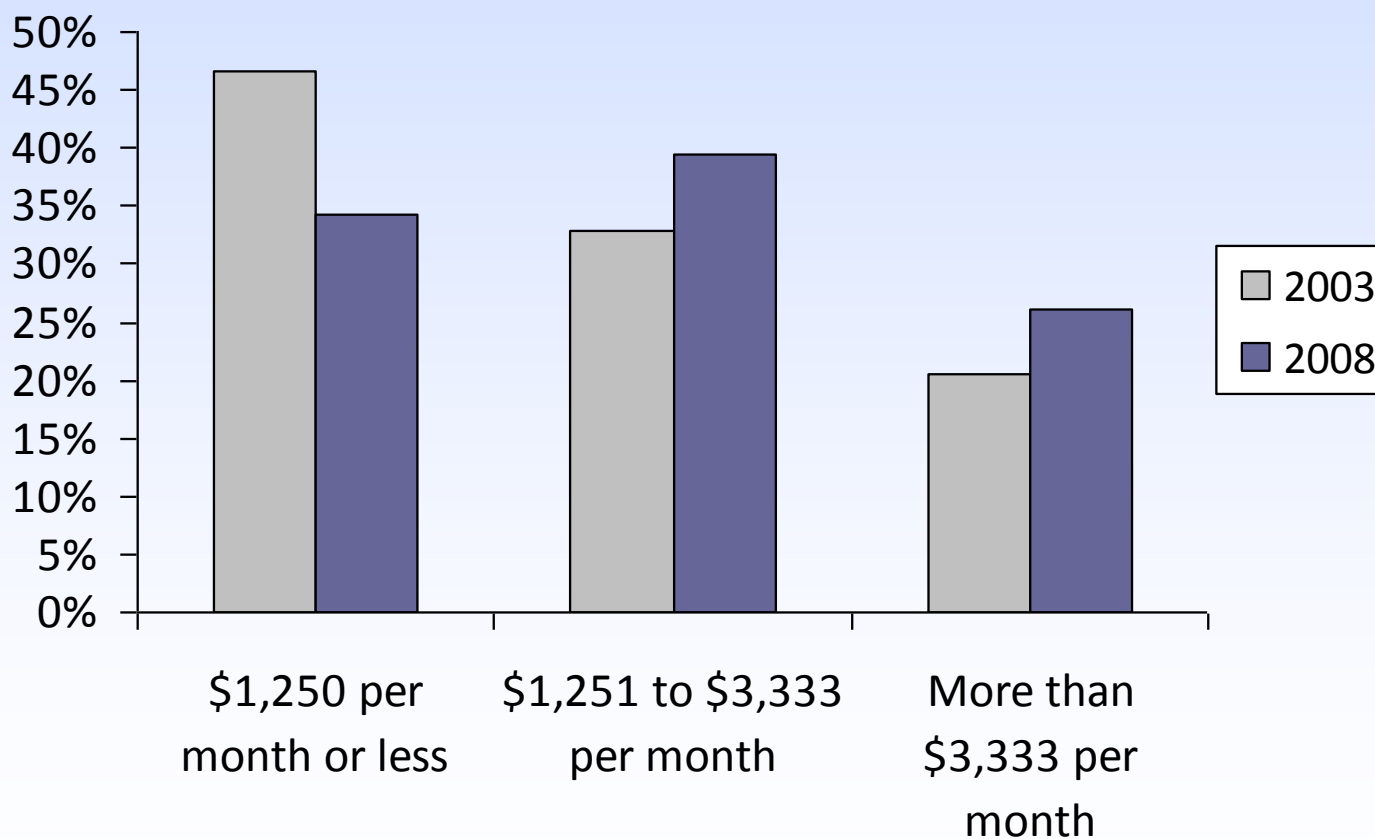


## Housing + Transportation Costs (2000)



32.6% of Lansing residents spend 45% or more of their income on housing and transportation

## Current Employment Wage Profile (2003-2008) for people who work in Lansing

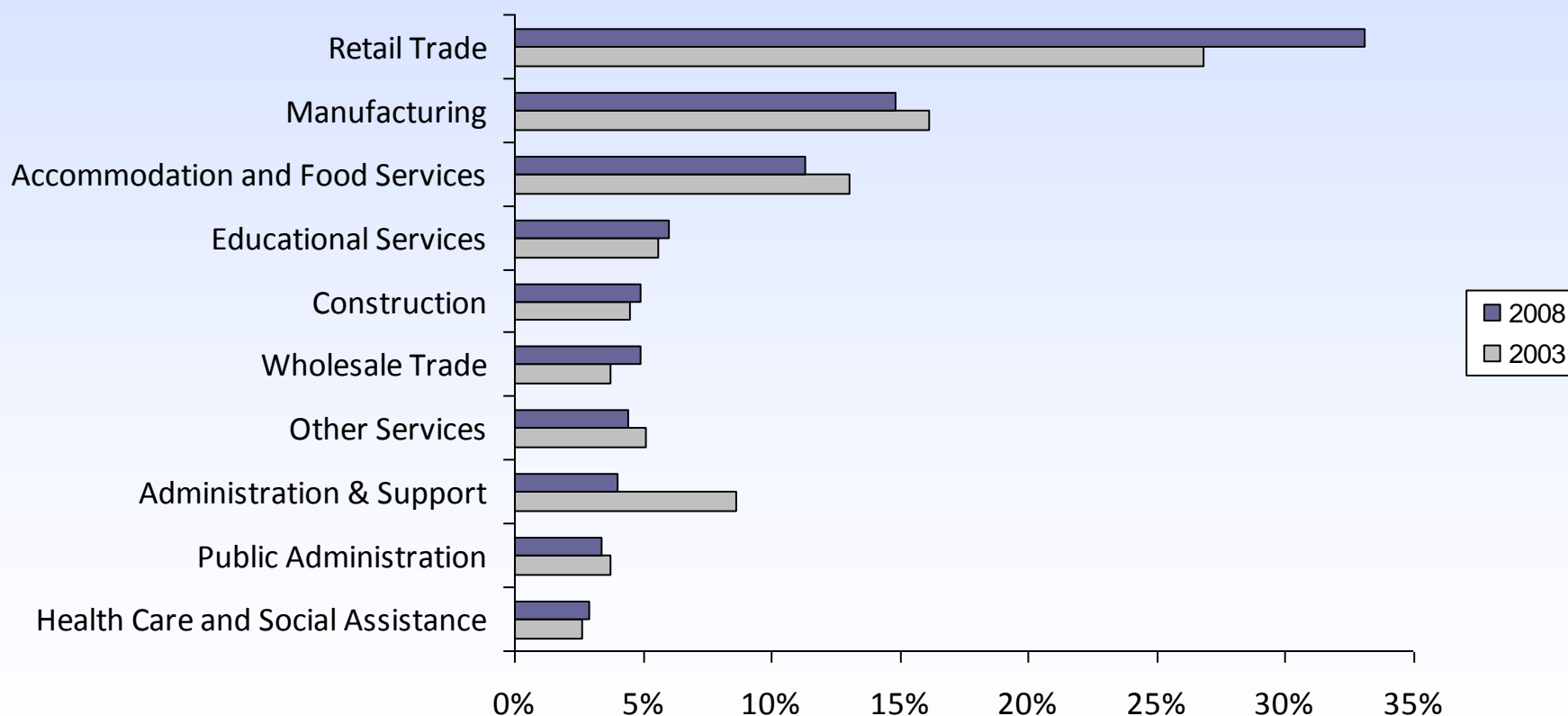


Source: U.S. **Census** Bureau - Longitudinal Employer-Household Dynamics

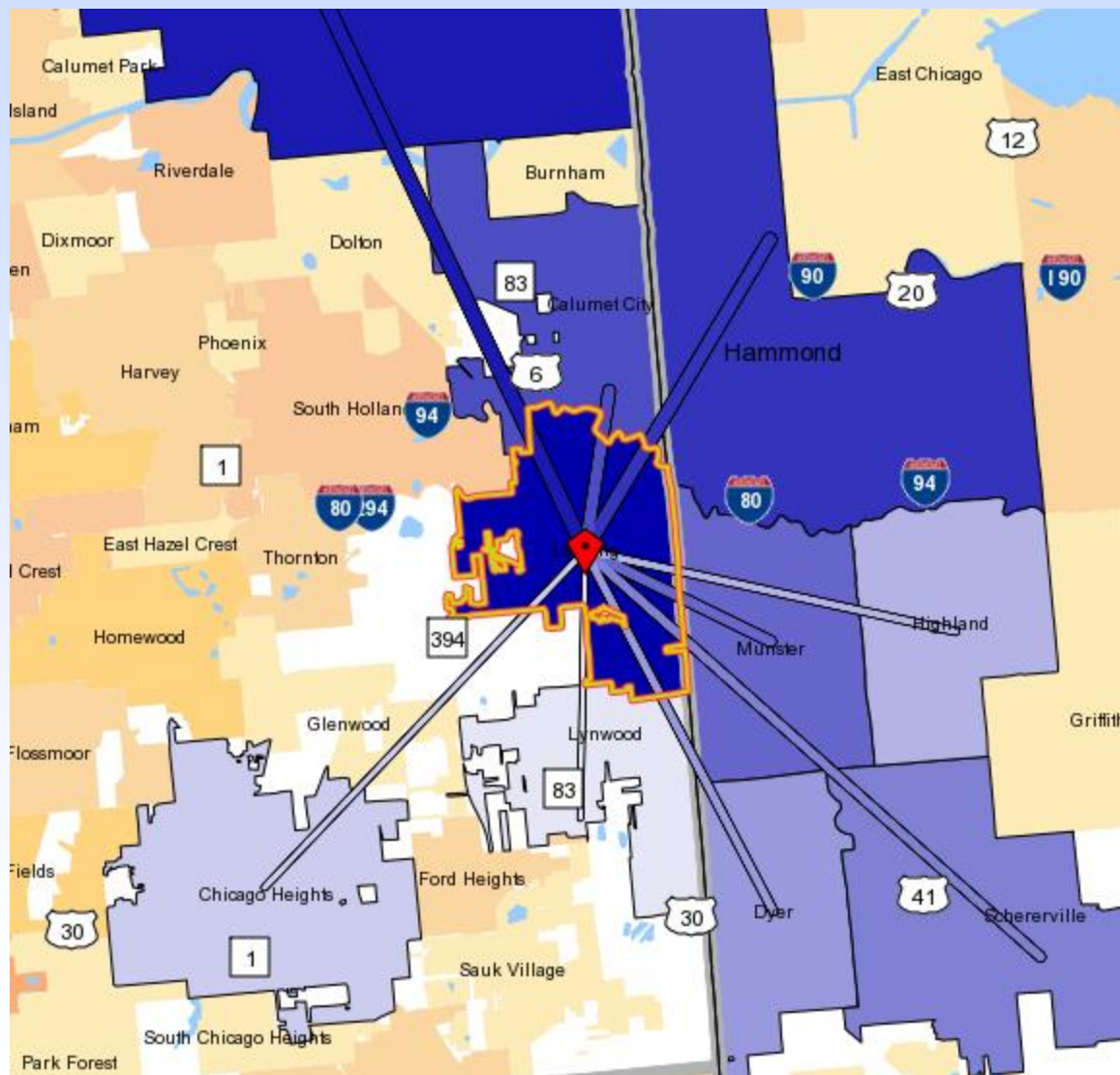


## Largest Employing Industries

There was some growth in retail service employment in Lansing between 2003-2008, while other sectors saw decreases in employment (Administration, Accommodation).

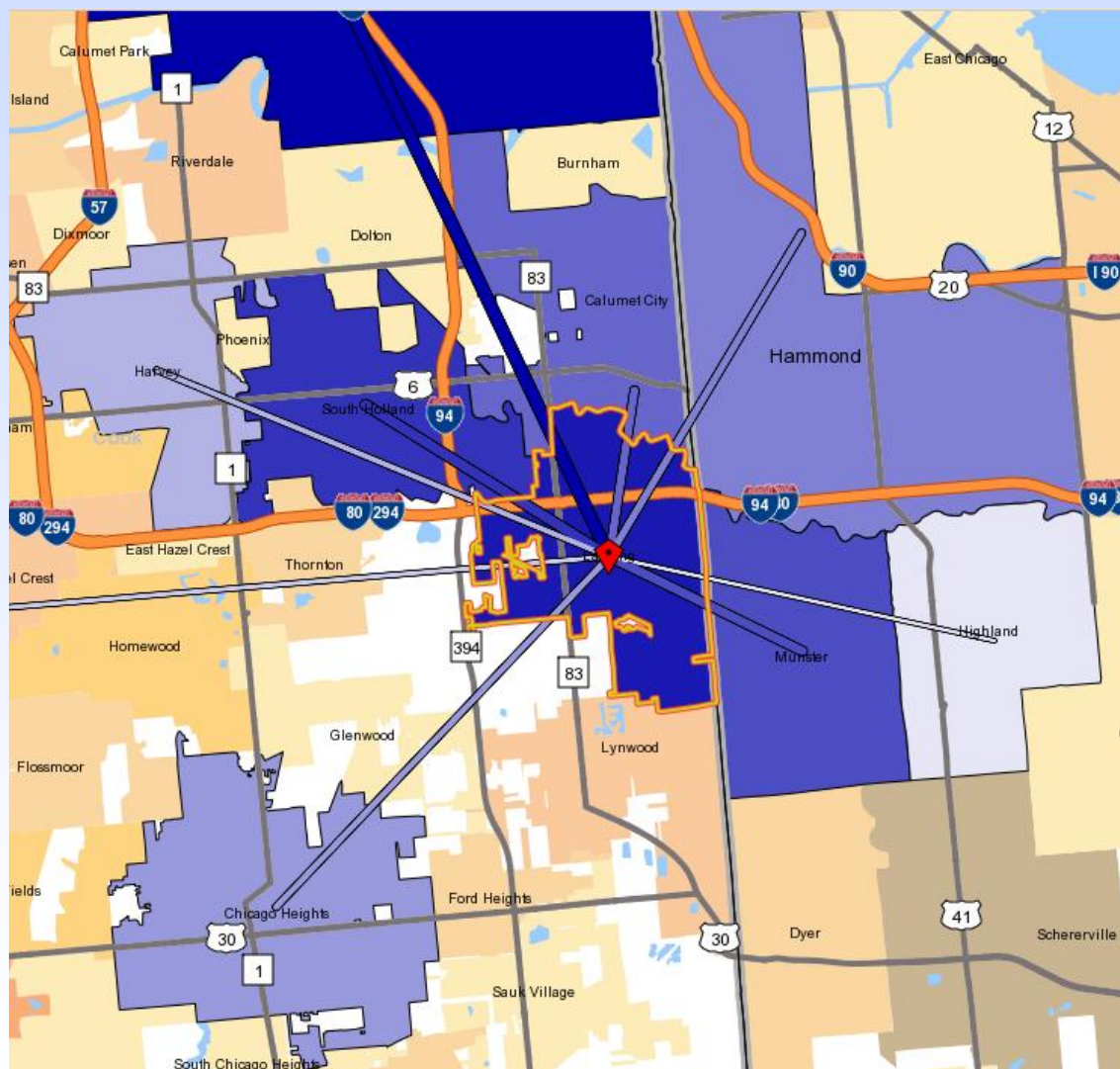


## Where Do Lansing's Workers Live?



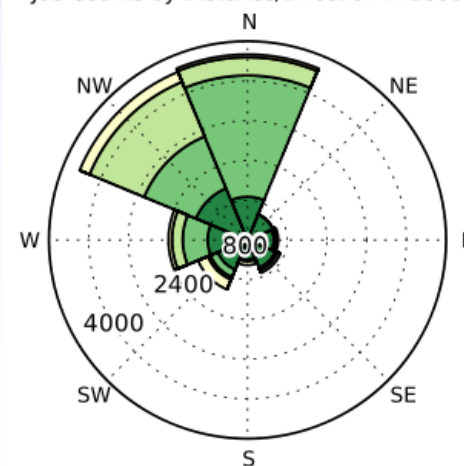
City/Town	Pct.
Lansing	13.5%
Chicago	13.4%
Hammond, IN	4.9%
Calumet City	3.1%
Munster, IN	2.3%
Schererville, IN	1.9%

# Where Do Lansing's Residents Work?



City/Town	Pct.
Chicago	26.4%
<b>Lansing</b>	<b>11.4%</b>
South Holland	3.6%
Munster, IN	3.6%
Calumet City	2.4%
Hammond, IN	2.4%

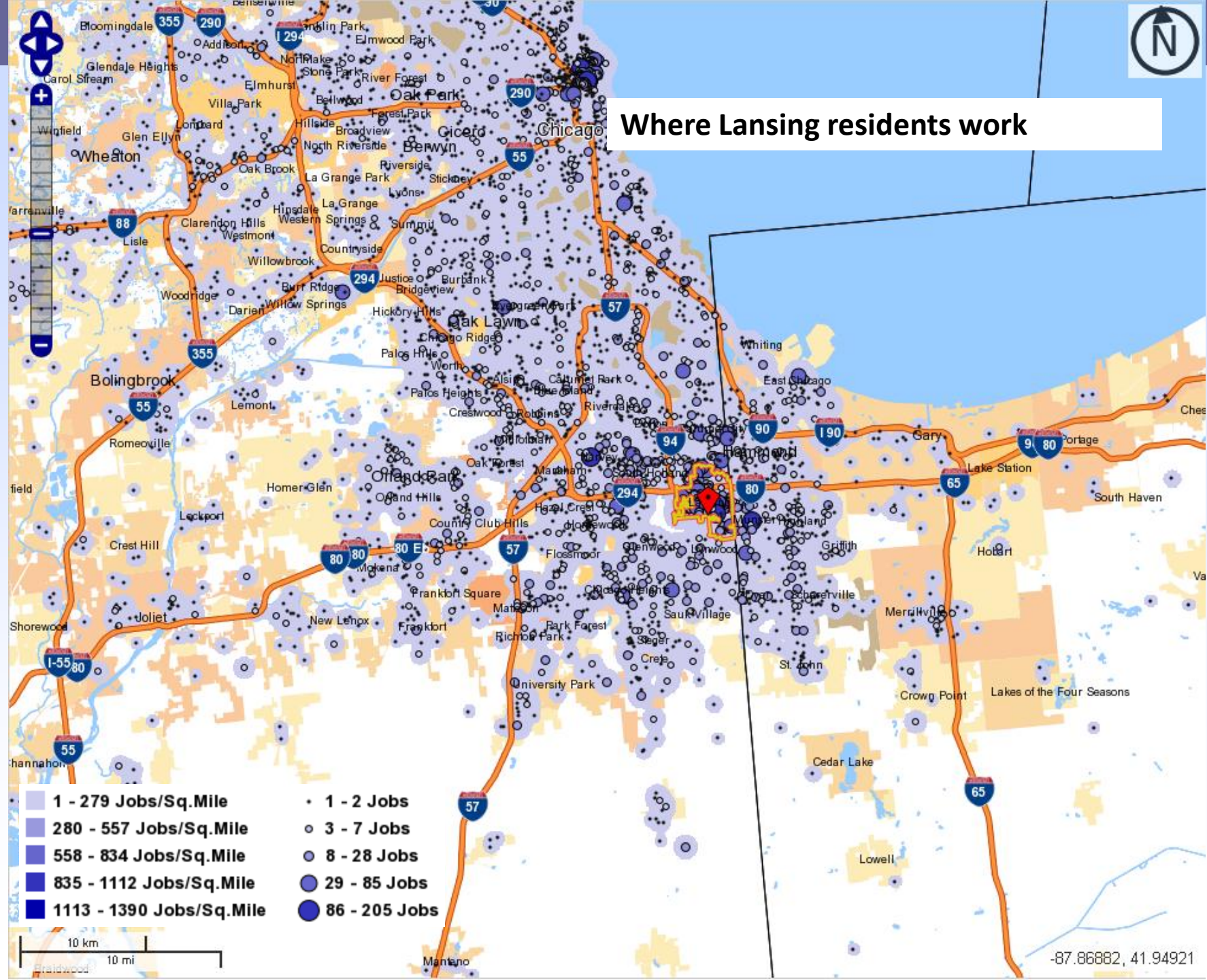
Job Counts by Distance/Direction in 2008







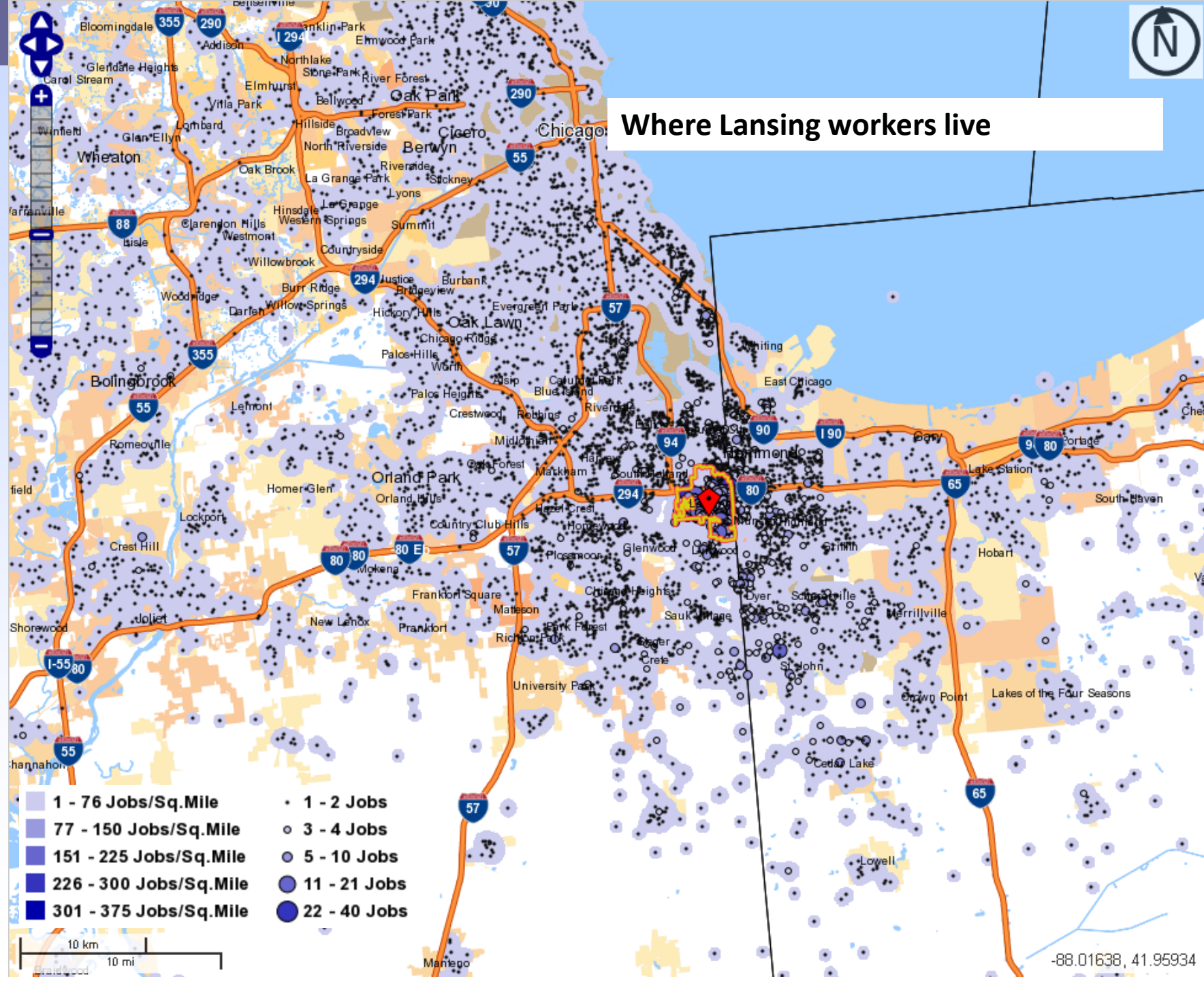
## Where Lansing residents work







## Where Lansing workers live





# DESIGNING PUBLIC ENGAGEMENT: WORKSHOP EXAMPLE

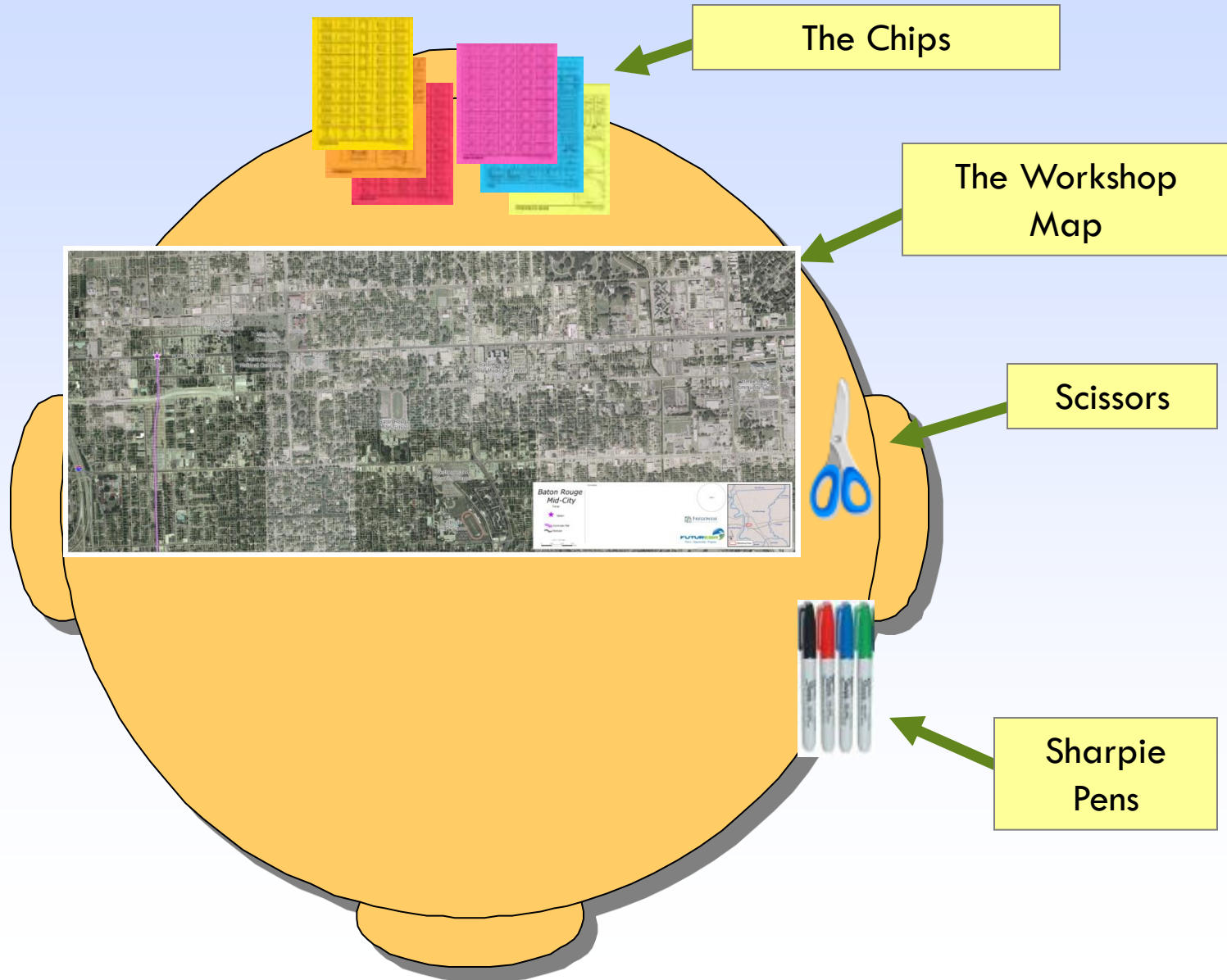


# Workshop Process

- Teams of 6-10 persons
- Develop your **vision** of how you would like the area to look in the future
- Share results with the group and look for **common themes**

# Workshop Process

# Table Materials



# The Workshop Exercise

You will build your own **future** for this area

1. Decide where **NOT** to grow
2. Arrange chips on map in areas of change
3. Draw in roads, paths, trails and transit needed
4. Draw open space, parks and plazas needed
5. Present map to group





# Workshop Map - Mid City



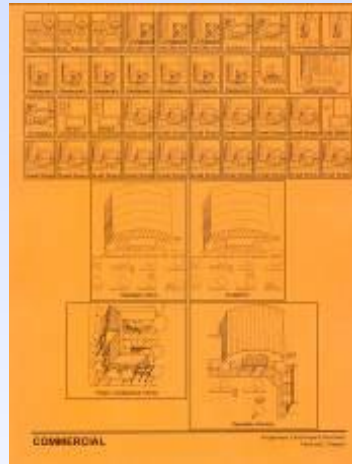


# The Game Pieces

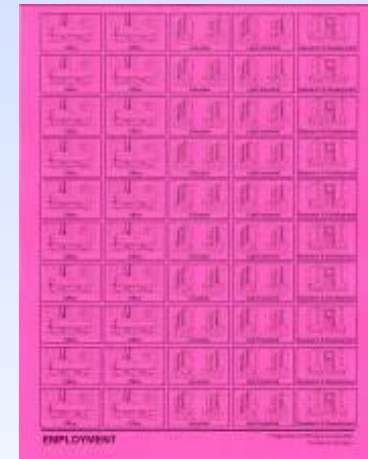
Mixed Use



Commercial



Employment



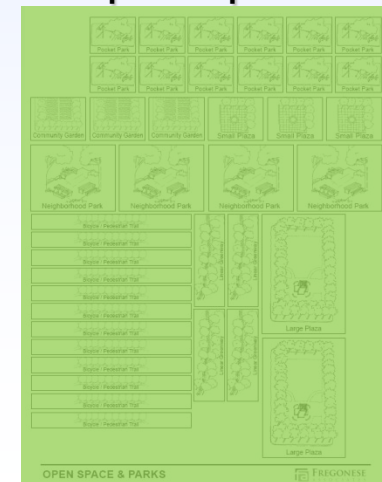
Residential



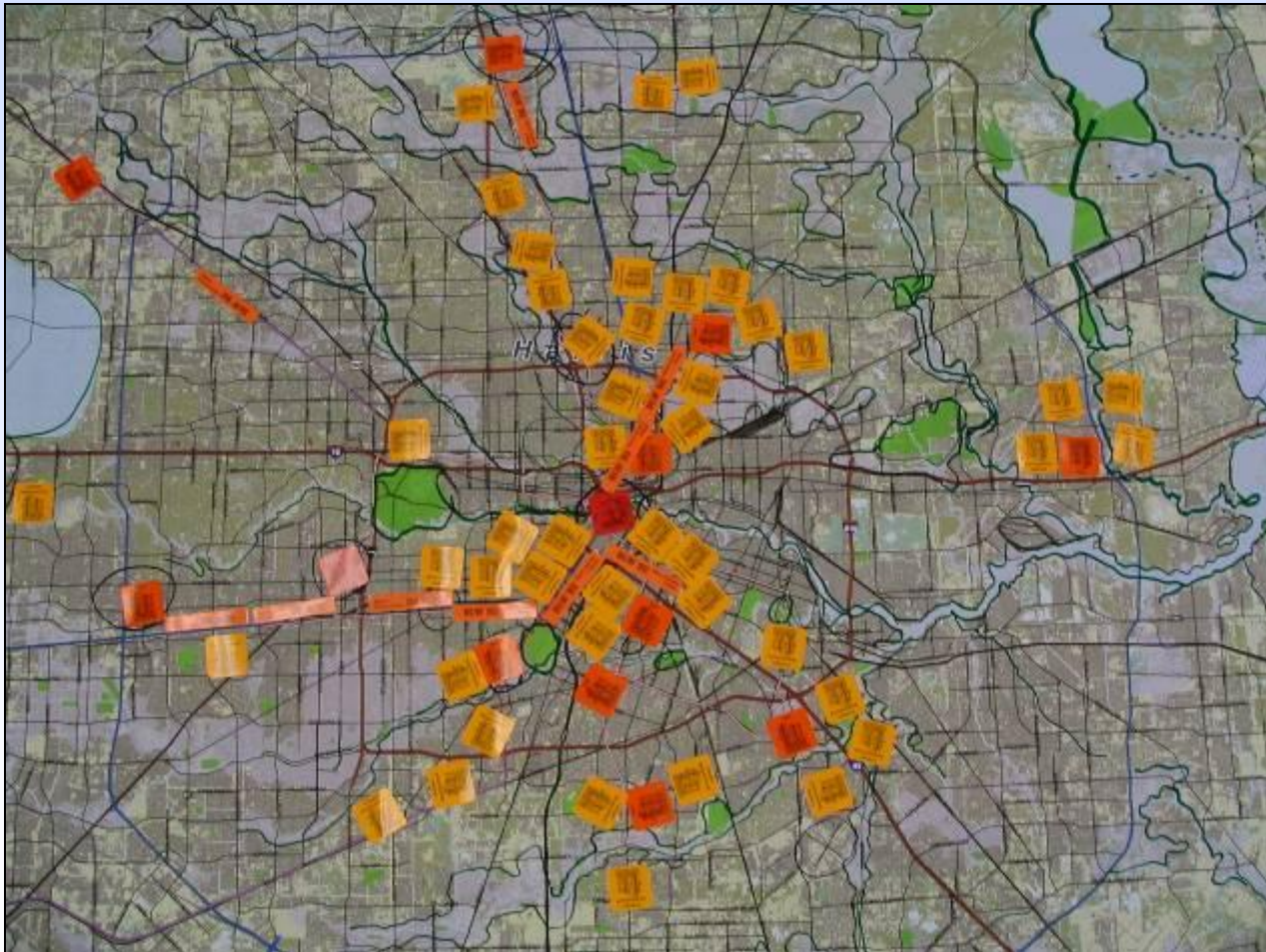
Civic



Open Space



# What happens after the workshops?





Each table's plan is digitally recorded using Envision Tomorrow...

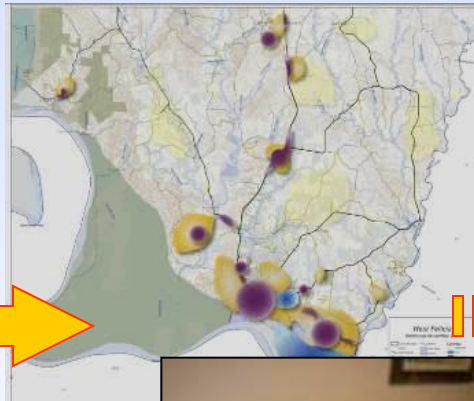


# Then we use the maps to build scenarios

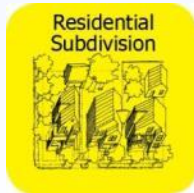
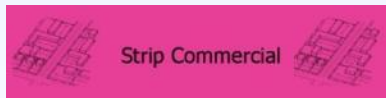
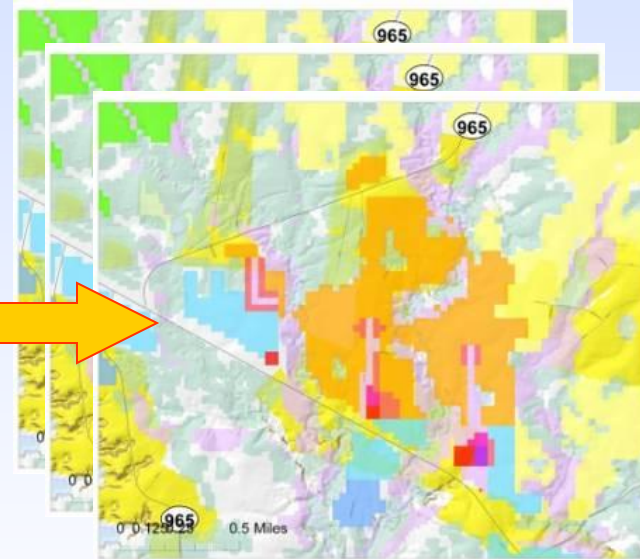
## Your Input



## Concepts and Analysis



## Growth Scenarios





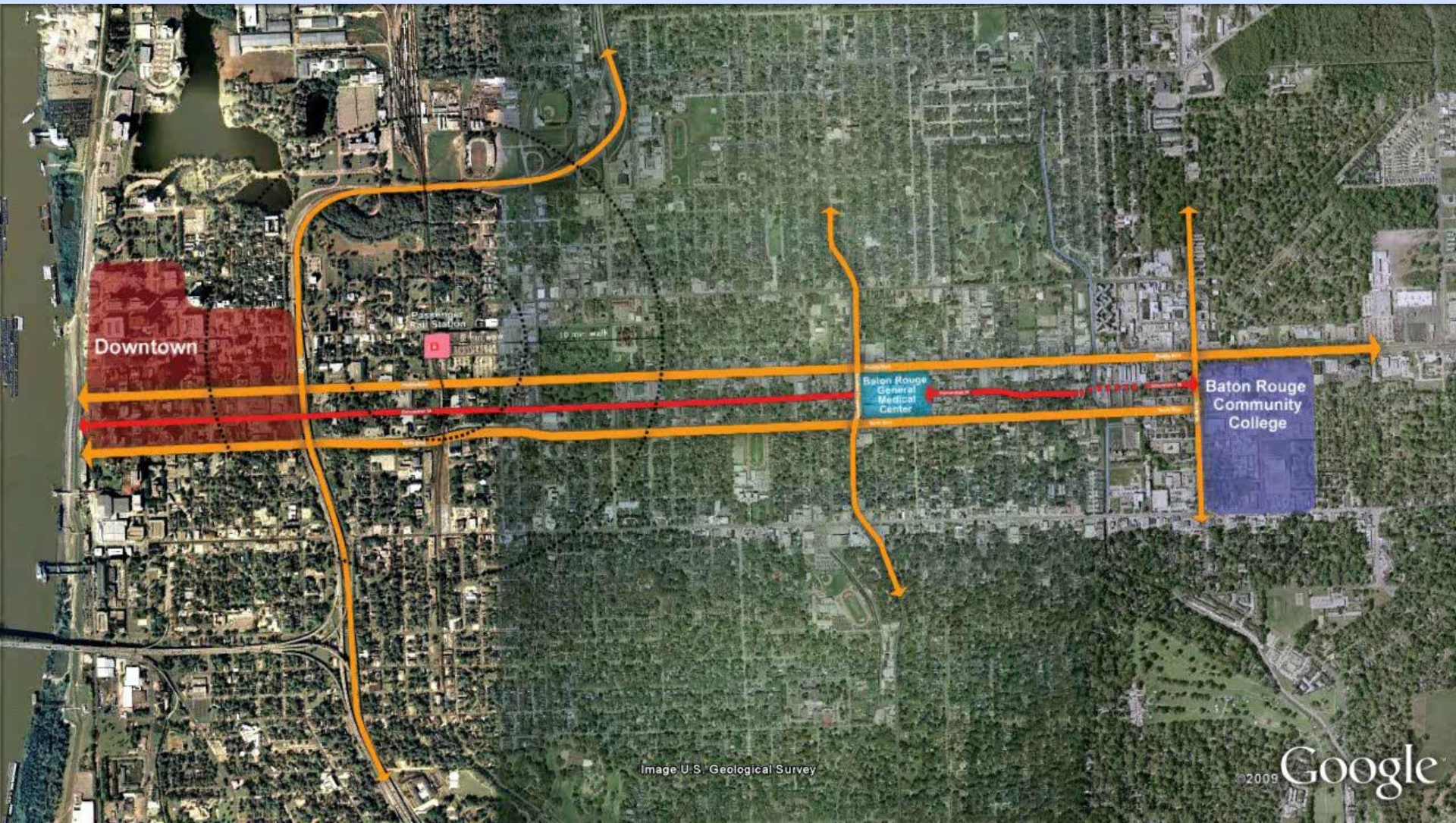


Image U.S. Geological Survey

2009 Google



